

# 'Classic Communities' is the real deal

**KAYLYNN HOHENSINN**

Medicine Hat News

If something sounds too good to be true, it probably is. The cynical aspect of our human nature makes us doubt motives when it seems to be too good of a deal to be real.

But for Classic Construction and president Murray Prokosh, their attainable housing project is the real deal. Hatters are used to seeing the signs up around town, claiming you can own your own home for as little as \$650 a month. Many wonder how it's possible.

There are a number of rumours floating around, said Prokosh, about how the attainable housing project works. The truth is, Prokosh believes so strongly in the value of owning your own home and gaining personal equity, he will sacrifice a percentage of his own profit to see it happen.

"You want to know why I do this? It's the reaction we get from people, seeing how grate-

ful they are to have their own homes. These purchasers are so ecstatic," said Prokosh. "You ask why? Why not? Why wouldn't we want to do it?"

With the latest development in Crescent Heights already sold out and a waiting list for future projects, it's clear that Classic Construction has attainable housing down to an art.

The company identified four factors that generally keep people out of home ownership: The down payment, the monthly payment, the overall cost of housing and qualifying for a mortgage. Classic Communities, with approval from the Canadian Housing and Mortgage Corporation, found a plan to address all four factors. How does it work?

From the sale of each unit, \$18,300 is placed in a special account. That money comes out of Classic Communities' profits. The money is administered to the homeowner in the form of monthly subsidies over either five to seven years, depending on the plan. An additional \$5,000 is put towards the down payment.

"So in total, we're giving the homeowner \$23,300 back from the sale of their home," said Prokosh.

The cost-effective design and Classic Communities doing the majority of labour helps keep costs to a minimum. Marketing is all in-house, cabinets are made by Classic Communities and the granite counter tops are imported directly from Brazil.

"Many people think affordable or attainable housing and think poor quality or small. We don't sacrifice any of that," said Prokosh.

The subsidies decrease over time. If the subsidy starts out at \$481 a month, it may be \$400 a month the next year, and then \$320 a month until the end of the plan. That allows the homeowner to slowly get used to paying the full mortgage price. The purchaser can get a mortgage through any bank or broker.

If the home is sold within the five- or seven-year subsidy plan, the subsidy payments are transferred over to the new homeowner, as well as the \$5,000 for the down payment. Any equity earned during that time is the seller's.

"People don't understand what we do or how we do it so they make up stories," said Prokosh. "People have said we keep the profit when the house sells or they have to pay the subsidies in a lump sum if they sell before the end of the plan. None of that is true."

In fact, one woman sold her Classic Communities home after just seven months and made \$35,000. The next purchaser still had the benefit of the \$5,000 in down payment subsidy and the monthly subsidies.

"We're hoping these homeowners are able to slowly work their way up the market so as many people as possible can make use of the subsidies," he said.

Other areas of Alberta are now asking Prokosh to meet with mayors and aldermen to discuss setting up attainable housing developments in other communities in desperate need of housing. St. Albert, Taber, Pincher Creek, Vulcan and Brooks are all looking to partner with Classic Communities. A new development is currently in the works in High River.