



COMMUNITY
HOUSING TRUST
QUEENSTOWN LAKES



MOVING UP

www.qlcht.org.nz
Annual Report 2021

Helping committed residents of the Queenstown Lakes District into decent affordable housing with secure tenure



Trustees (L-R) Raymond Key, Joanne Conroy,
Andrew Blair, Jayne Macdonald, Gigi Hollyer,
and Phil Smith

Trust Funds
\$32,227,236
(+ 33%)

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Chair's Report

As QLCHT Chair, I'm pleased to present our 2021 annual report, which reflects a strong and stable position for the Trust. Over the past year we have continued to respond with nimbleness and adaptability to the impact of COVID-19, and I am proud of the resilience the Trust has demonstrated.

As noted in our 2020 report we expected to face challenges and delays on our future housing projects, including our \$26m contract to purchase 50 Toru apartments in Frankton. It is therefore pleasing to report the Toru contract settled in May without issue, and we now have dozens of households enjoying life in their new apartments.

QLCHT's solid financial position was endorsed by our independent auditors at Deloitte. We've maintained a strong balance sheet, which will be strengthened further when the Toru transactions are reported on in the next financial year.

Other projects which were put on temporary pause due to COVID-19, are now back on track. Our 6-home development in Hikuwai, Wanaka was completed earlier this year, construction is underway on 13 homes in Alps View Place (Lakes Hayes Estate), and we are in the final planning stages of the major development at Tewa Banks (Arrowtown).

I'm also pleased to note that we're undertaking a review to look for innovative ways to improve the livability and sustainability of Tewa Banks and other developments for future generations. This review is the first step in a process of creating leading edge housing developments that while affordable, will improve the lives of the residents and benefit the local community.

We remain grateful to Central Lakes Trust for their continued support of QLCHT through investment loans for our various housing projects.

I acknowledge and thank the dedication and hard work of Trustee, Gigi Hollyer, who recently retired after six years on the Board. Gigi was viewed as someone who knows and feels the heartbeat of the community and contributed excellent governance skills to the Trust. Whilst we are disappointed to lose Gigi, we welcome the opportunity to review the expertise and representation across the Board, and are currently assessing the skillset sought for a replacement Trustee.

I extend my appreciation to the remaining Trustees for the time, skills and experience they individually apply to the Trust, as well as the Councillor Representatives who attend our Board meetings and provide us with valued insight and advice.

I also acknowledge with gratitude John MacDonald, who resigned from his role with Council and as Councillor Liaison to QLCHT earlier this year. John was instrumental in helping create our assisted ownership programme, Secure Home, and leaves behind a legacy of adding value to affordable and community housing in this District.

My sincere thanks also goes to our Executive Officer Julie Scott, and our other valued team members for the excellent efforts over what was an extraordinarily busy year, challenged further by the impact of COVID-19. They have remained committed to delivering appropriate and supportive outcomes for our households throughout these challenging times.

I express my ongoing thanks to Mayor Jim Boulton, Councillors and QLDC staff for prioritising affordable housing and supporting the Trust. We remain focused on our collective goal of assisting 1000 households into affordable and secure housing by 2028.



Andrew Blair, Chair

A handwritten signature in blue ink, which appears to be 'Andrew Blair'.

Operations Report 2021

Waiting List Growth

The waiting list continues to grow despite COVID-19 resetting rental prices across the district. Before the pandemic hit New Zealand shores, QLCHT had a waiting list of 600 qualifying households. This now sits at 736 households, despite the fact that rents have reduced by as much as 30%. On top of this, we've housed 50 households in new homes over the past 12 months.

We consider the increase in requests for assistance is largely down to reduced incomes amongst many households due to the impacts of COVID-19. When the borders closed there was a huge effect on the local economy, and as a result we've seen a number of new households come onto our waiting list, who were not under housing stress previously. Whilst the respite in rental prices has

been welcomed by many, there was a high number of residents who have experienced either complete loss of income, or a partial reduction through reduced hours.

Despite COVID-19 having a serious impact on many of our existing households, I'm pleased to report that the majority of them are coping fine now and none have had to leave their homes as a direct result of the pandemic and subsequent downturn in our economy.

Staffing Changes

Late last year we said goodbye to our Property Maintenance Coordinator, Amber Dent, as she took on a full time role within her family business. At the same time we welcomed Sonya Donnelly into the team. Sonya has recently shifted to the district and comes with sound administrative and not-for-profit experience.

*Julie Scott, Housing Minister Megan Woods,
Mayor Jim Boulton and Deputy Chair Joanne Conroy*

Hikuwai development, Wanaka

Trustee Phil Smith & Hikuwai developer, Lee Brown



Toru Apartments

Three years after signing a contract to purchase 50 one and two-bed Toru apartments from New Ground Living, it was a huge milestone to settle on this project in May 2021. After selling 8 on the open market to help with funding, we sold 26 into our Secure Home programme, assigned 15 into Public Housing under a contract with the Crown, and retained 1 in our Affordable Rental programme.

A significant amount of time was spent obtaining various funding streams for this project, which has enabled QLCHT to offer a truly mixed tenure model throughout the development. We are grateful to the Ministry of Housing and Urban Development for the \$6.365m interest-free loan to fund the Secure Home units, and SBS Bank for providing loans to our households. This enabled us to offer an affordable, secure tenure ownership option to households on our waiting list, whilst demonstrating clear support for our innovative Progressive Home Ownership model. We share freely our intellectual property and learnings around Secure Home to any other organisations considering a leasehold programme, with the intent to create a standardised perpetually affordable and secure tenure leasehold option for New Zealand.

Hikuwai Project

Earlier this year we completed construction on 6 new homes on land received through the inclusionary zoning process from Hikuwai developer, Exclusive Developments. A mix of two, three and four-bed homes were completed on time, and these properties have now been allocated under a combination of Secure Home, Public Housing and our rent-to-buy programme, Rent Saver.

Alps View Project

After receiving land from the developer, Queenstown Commercial, last year, we are now underway with construction of 13 new homes in Alps View Place, Lake Hayes Estate. It's our intention to sell 9 into the Secure Home programme, whilst retaining 4 in our rental portfolio, upon completion in early 2022.

Tewa Banks Project

Whilst COVID-19 caused us to push pause on progressing plans for this 68-Lot development last year, we are back now with a full focus on finalising the design of this significant community housing development in Arrowtown. As part of the process we are reviewing the current masterplan, in order to evaluate against leading design trends for comparable developments and make potential improvements to the current urban design solutions for this affordable housing development. Once this review and implementation of any improvements is complete, we expect be in a position to commence civil works.

Northlake Project

Earlier this year we purchased land from the developer of Northlake, and are currently in the design phase for 10 new homes for Wanaka families. We expect these to be a mixture of Secure Home and rental tenures, and hope to commence construction early 2022.

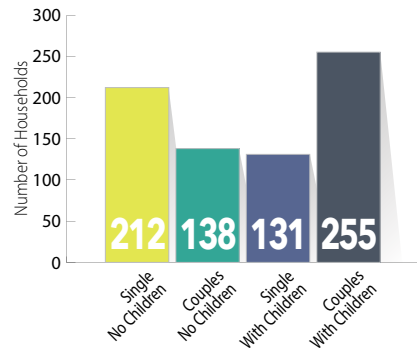


Julie Scott, Executive Officer

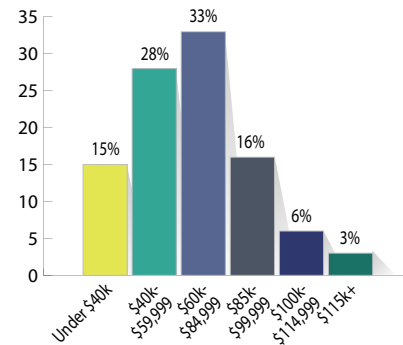
Julie Scott

2021 Waiting List Stats

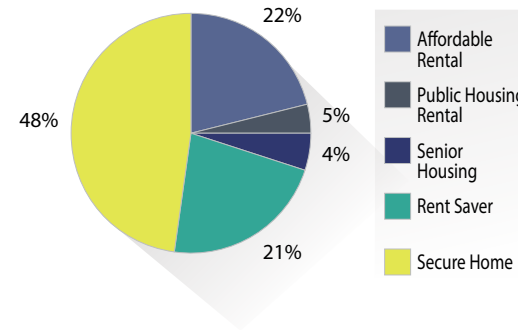
Household configuration



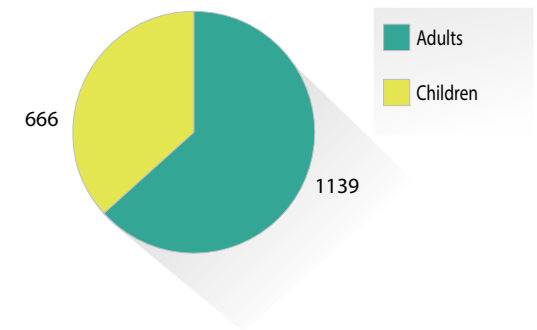
Annual incomes across households



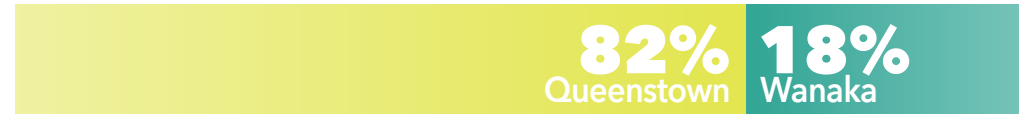
Likely programme eligibility



1805 people currently on the waiting list



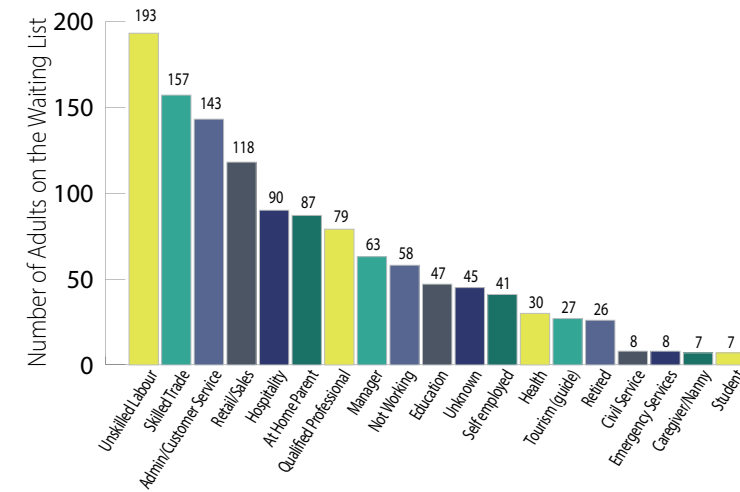
736 households on the waiting list currently



Local Kaumātua, Darren Rewi, blessing the Alps View site



Occupation



Toru Project

15 Public Housing rental households

1 Affordable Rental household

26 Secure Home households

May 2021 saw a major milestone reached with the successful completion and delivery of 42 Toru apartments into QLCHT's portfolio. A truly mixed tenure development with private ownership and rentals, assisted rentals and progressive homeownership.

Home ownership in Queenstown has never been more affordable thanks to the collaboration between the Trust, Central Government and QLDC.

Secure Home facts:

- Average one-bedroom Secure Home units = \$213,000
- Average two-bedroom unit prices average \$319,000
- Average Ground Rent = \$46 per week
- Minimum 5% deposit requirement

Toru features:

- Energy efficient design
- Functional space
- Quality fittings
- Allocated carparks
- Private balconies
- Dual lift access
- Desirable location
- Exceptional views

“We were very happy with the programme we were in. Realistically we would not have been able to purchase our first house without assistance from the Trust, it has been central to our family being able to remain in the district.”

Handing over the keys with SBS and new Toru homeowner Susan

Trustee, Joanne Conroy, with Anjie & Gareth in their new home

MP for Te Tai Tonga, Rino Tirikatene with QLCHT Whanau Raewyn, Minister Woods and Julie Scott

Completed Toru apartments



Summary Consolidated Financial Statements

For the Year ended 31 March 2021

Summary Statement of Comprehensive Income and Expense For The Year Ended 31 March 2021

Note	Group	
	This Year \$	Last Year \$
Income		
Revenue From Exchange Transactions	2,796,777	3,176,820
Revenue From Non-Exchange Transactions	6,776,862	819,258
Other Income	<u>116,400</u>	<u>127,740</u>
Total Income	9,690,039	4,123,818
Less Expenses		
Cost of Goods Sold	453,141	996,101
Administration Expenses	87,706	89,444
Operating Expenses	262,809	262,440
Finance Expenses	233,847	215,906
Other Expenses	<u>660,366</u>	<u>672,142</u>
Total Expenses	1,697,869	2,236,033
Surplus for the Year and Total Comprehensive Revenue and Expense	<u>7,992,170</u>	<u>1,887,785</u>

Summary Statement of Financial Position As at 31 March 2021

Note	Group	
	This Year \$	Last Year \$
Equity	<u>32,227,236</u>	<u>24,235,065</u>
Represented by:		
Assets		
Non Current Assets	21,904,574	18,451,611
Current Assets	<u>18,477,934</u>	<u>11,455,851</u>
Total Assets	40,382,508	29,907,462
Less Liabilities		
Non Current Liabilities	5,832,816	5,425,240
Current Liabilities	<u>2,322,457</u>	<u>247,157</u>
Total Liabilities	8,155,272	5,672,397
Net Assets As Per Total Equity	<u>32,227,236</u>	<u>24,235,065</u>

Summary Statement of Changes in Equity For The Year Ended 31 March 2021

Note	Group	
	This Year \$	Last Year \$
Equity As At Start Of Year	24,235,065	22,347,280
Comprehensive Revenue and Expense	7,992,170	1,887,785
Equity As At 31 March 2021	<u>32,227,236</u>	<u>24,235,065</u>

Summary Statement of Cash Flows As at 31 March 2021

Note	Group	
	This Year \$	Last Year \$
Cashflows from Operating Activities	4,659,568	3,224,465
Cashflows from Investing Activities	(7,509,867)	1,662,061
Cashflows from Financing Activities	2,342,988	(132,824)
Net increase/(decrease) Cash and Cash Equivalents	<u>(507,311)</u>	<u>4,753,702</u>
Cash & Cash Equivalents at the Beginning of the Year	8,654,242	3,900,540
Cash & Cash Equivalents at the End of the Year	<u>8,146,931</u>	<u>8,654,242</u>

Reporting Entity

Queenstown Lakes Community Housing Trust operated in accordance with its Trust Deed and is governed by the requirements of the Trustee Act 1956. The Trust is a Public Benefit Entity.

These are the Summary Financial Statements for Queenstown Lakes Community Housing Trust for the year ended 31 March 2021. The specific disclosures included in the summary financial statements have been extracted from the full financial statements dated 20 July 2021. These summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements.

The full financial statements of the entity have been prepared in accordance with generally accepted accounting practice in New Zealand for general purpose financial reports. The summary financial statements comply with the Public Benefit Entity Standards Reduced Disclosure Regime as appropriate for Tier 2 not-for-profit public benefit entities.

The audit opinion on the full financial statements for the year ended 31 March 2021 was unqualified.

The summary financial statements were authorised for issue by the Trustees on 20 July 2021.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed in the preparation of these accounts. The summary financial statements are presented in New Zealand dollars.

Specific Accounting Policies

All Specific Accounting Policies have been applied on the same basis as those used in the full consolidated financial statements of the Trust.

Changes In Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on a basis consistent with those used in the last year. The full audited report is available on the Trust's website at www.qlcht.org.nz

Capital Commitments

As at 31 March 2021 the Group was committed to the purchase of 50 units in the Remarkables Park Complex (Toru) at a cost of \$26,093,000. A deposit of \$2,621,843 was paid in April 2018. The balance is payable on completion in May 2021.

The Trust is currently building 6 houses in the Hikuwai subdivision in Wanaka. The total project is budgeted to cost \$2,474,279 excluding land; at 31 March 2021 \$2,411,123 had been spent. The project is due for completion in April 2021.

The Trust has commenced civil works for 13 houses at its Alps View development in the Lake Hayes Estate subdivision of Queenstown. The total project is budgeted to cost \$5,588,724 excluding land; at 31 March 2021 \$116,719 had been spent. The project is due for completion in April 2022.

Subsequent Events

The outbreak of COVID-19 and the subsequent quarantine measures and travel restriction imposed by the NZ government from March 2020 have caused disruption to business and economic activity.

At the time of signing these financial statements, New Zealand has come out of restrictive quarantine measures imposed by the Level 3 & level 4 COVID-19 restrictions. Throughout the level 3 & 4 period in NZ the Trust continued to receive rental payments (and provided variations to rental arrangements where necessary). Upon reviewing the current situation and the cash reserves of the Trust, the Trustees are of the opinion the Trust is well positioned to remain a going concern.

Deloitte.

Independent Auditor's Report on the Summary Consolidated Financial Statements

To the Trustees of Queenstown Lakes Community Housing Trust

Opinion	The summary consolidated financial statements of Queenstown Lakes Community Housing Trust (the 'entity') and its subsidiaries (the 'Group'), which comprise the summary consolidated statement of financial position as at 31 March 2021, and the summary consolidated statement of comprehensive income and expense, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of the Group for the year ended 31 March 2021. In our opinion, the accompanying summary consolidated financial statements, on pages 2 to 6, are consistent, in all material respects, with the audited consolidated financial statements, in accordance with PBE FRS 43: <i>Summary Financial Statements</i> issued by the New Zealand Accounting Standards Board.
Summary consolidated financial statements	The summary consolidated financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report.
The audited consolidated financial statements and our report thereon	We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 20 July 2021.
Board of Trustees' responsibilities for the summary consolidated financial statements	The Board of Trustees is responsible on behalf of the Group for the preparation of the summary consolidated financial statements in accordance with PBE FRS 43: <i>Summary Financial Statements</i> .
Auditor's responsibilities	Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) ('ISA (NZ)') 810 (Revised): <i>Engagements to Report on Summary Financial Statements</i> . Other than in our capacity as auditor, we have no relationship with or interests in the entity.
Restriction on use	This report is made solely to the Board of Trustees, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Board of Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dunedin, New Zealand
20 July 2021

Directory

Date of Incorporation	12 July 2007
Trustees	G A Blair P A J Smith G H A Hollyer J M Conroy R J Key J E Macdonald
Accountants	McCulloch & Partners, Queenstown
Solicitors	RVG Law, Queenstown

Bankers	ASB Bank, Queenstown SBS Bank, Queenstown Westpac, Dunedin
Other Lenders	Central Lakes Trust
Auditors	Deloitte, Dunedin
IRD Number	97-121-805
Membership Organisations	Australasian Housing Institute Community Housing Aotearoa Community Networks Wanaka Ignite Wanaka KiwiBuy Coalition Queenstown Chamber of Commerce Queenstown Interagency Strengthening Families Local Management Group

Retiring Trustee Gigi Hollyer with Chair Andrew Blair, at a recent site visit to Camp Glenorchy Eco Retreat

Artists impression of Tewa Banks



Senior Housing

This year we welcomed seven new Senior Housing tenants into QLCHT homes – up from just one Senior household at the start of 2021. This programme provides over-65's secure, healthy and affordable homes for life. Eligible households are prioritised according to those most in need.

Eligibility Criteria

- All applicants must be over 65 years of age;
- All tenancies are subject to the Residential Tenancies Act 1986;
- All tenants must not have an interest in or own property;
- Applicants must already be established in the district;
- Household income must not exceed 90% of the area median;
- Maximum net household assets of \$40,000 for a single person, or \$50,000 for a couple.

Demand for Senior Housing in our District is growing, and as a specialised Community Housing Provider, QLCHT has put forward a proposal to Council to take charge of its eleven Senior Housing units in Arrowtown and Wanaka.

“I’m delighted with my new Toru home. It’s been a long time since I’ve lived in such a warm dry house, and am grateful to the Trust for providing me with this affordable and secure home to rent.”

Fran, Senior Housing tenant

*Senior Housing tenant, Fran,
with QLCHT’s Housing Services
Manager, Corina Sommerville*





The Community Housing Trust continues to provide an essential service for many locals across the Queenstown Lakes District. The long-term effects of COVID-19 continue to see many in our community struggling to keep up with the rising cost of living, whilst salaries and wages are not keeping pace. This is further compounded by the cost of housing seeing unprecedented highs, with Queenstown Lakes now having the highest average house price in Aotearoa New Zealand. The Kiwi dream of homeownership is simply out of reach for many in our district.

That's why the work of the Trust is so vital and it was wonderful to see the first residents moving into the Toru apartments in May 2021 – thanks to the support and dedication of the Trust's team. I eagerly await the day we can say the same for the Jopp Street 68-lot development in Arrowtown which was granted final sign-off from Council in April.

It is great to see the Trust going from strength to strength and helping so many in our community into homes of their own, and I commend the Trust Members and Executive for their commitment and the positive change they make to people's lives.

Jim Boulton
Queenstown Lakes Mayor



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