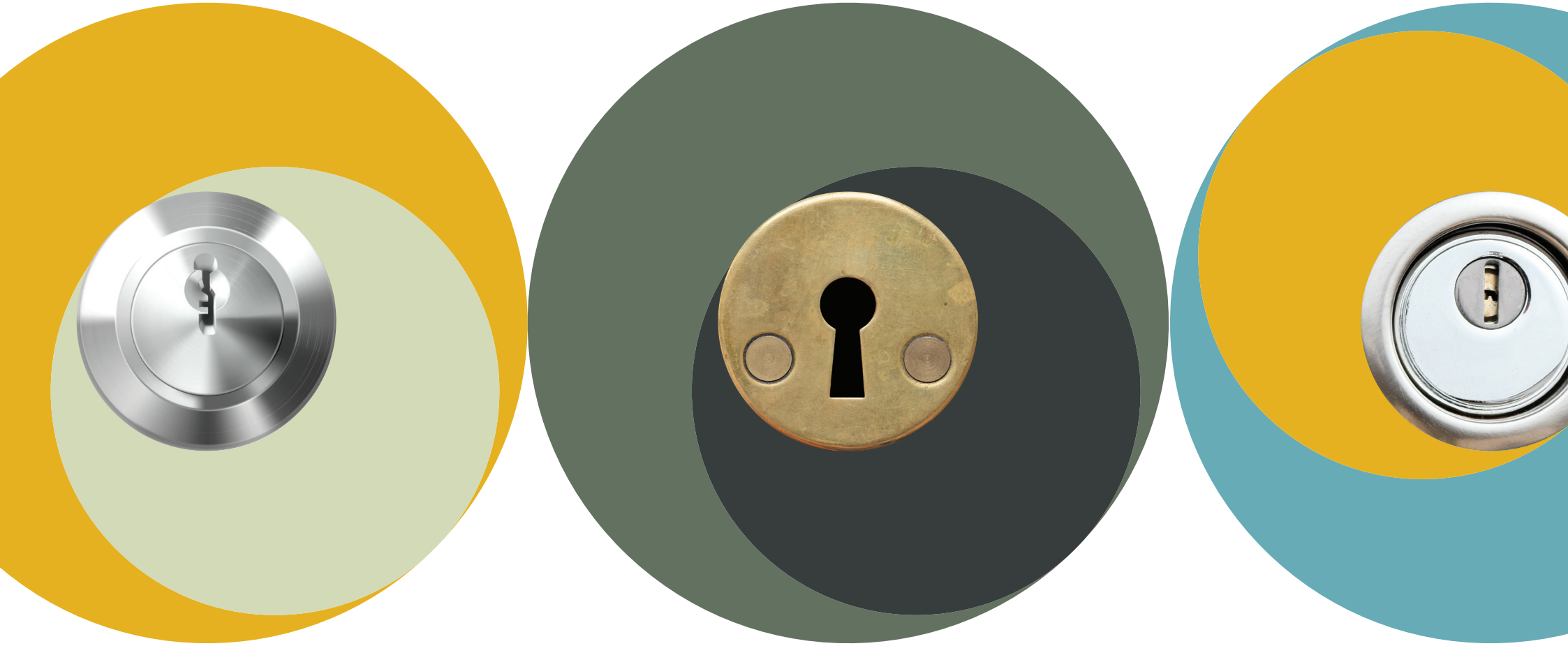




QUEENSTOWN LAKES
**Community
Housing Trust**



www.qlcht.org.nz
ANNUAL REPORT 2022



QUEENSTOWN LAKES
**Community
Housing Trust**

Unlocking homes
in our community

Trust Funds
\$33,794,052 (+ 5%)

*Trustees (L-R): Richard Thomas, Raymond Key, Brad McLeay,
Jayne Macdonald, Joanne Conroy and Phil Smith.*



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Chair's Report

It's with great pleasure I present the 2022 QLCHT annual report. That said, having been the new chair for only a short time, I can't take the credit! The QLCHT board, and small, but very effective executive team are the ones who have delivered the strong results.

A big thanks to Andrew Blair for his three and half years as Trustee and Chair. Andrew instilled some robust governance practices over his tenure, which has assisted the organisation to mature and grow.

We also say goodbye to two of our Council representatives, Niamh Shaw and Valerie Miller, who have both been extremely supportive and strong advocates of QLCHT. We thank you sincerely for your service.

Last year we welcomed onto the board Brad McLeay, a property professional of more than 25 years who currently works as a Senior Property Consultant for The Property Group. His diverse background covers all sorts of experience in land and property development, and he's proving a valuable asset to the team.

Independent auditors Deloitte, have again this year endorsed the Trust's strong financial position.

QLCHT has maintained a very healthy balance sheet position with net assets for the year 2022 up 5% to \$33.8m against \$32.2m for the previous year. The main driver of the small uplift is due to the realisation of assets through Shared Ownership sales.

We're excited to have progressed the Tewa Banks development to the planning and consenting stage. This will be our largest development to date and will open up the opportunity for 68 households to secure an affordable warm dry modern home. A number of other Trust housing projects are also progressing at pace throughout both Queenstown and Wanaka.

We are committed to investigating innovations in building methods, materials, and technology advances like solar energy and ground source heating, in an effort to deliver more energy efficient housing solutions for our community.

The Trust remains focused on assisting 1000 households into affordable secure homes. On reviewing our strategic plan, the only thing that has changed is the timeline in which to do so. Our goal is to deliver on that promise by 2038.

Absolutely key to this, it is imperative inclusionary zoning is implemented into the District Plan.

Adoption of inclusionary zoning will go a long way towards securing enough land to reduce the number of over 800 households needing a home on the Trust's waiting list, and achieving the goal of assisting 1000 households into homes. We commend QLDC for its leadership in this space.

We will also need the continued support of our funders such as central government, Central Lakes Trust and a number of market banks, and are grateful for their backing over this past year.

Special thank you to our departing Mayor Jim Boulton whose 2017 Mayoral Housing Taskforce came up with the concept of our innovative and industry leading Secure Home programme. Jim has been a huge supporter of the Trust during his two terms.

And finally, why I took the job on. Land values, inflation and interest rates are continuing to impact the region's housing affordability. Home ownership is even further out of reach for many families wanting to call this district home. I'm looking forward to being part of an organisation that provides innovative housing solutions for as many of those households as we can.



Richard Thomas, Chair





Julie Scott,
Executive Officer

Management Report

15 Years!

2022 marks 15 years in operation – a milestone worthy of reflection. Having been with the Trust for most of this journey, it fills me with great pride to see how far we have come. Starting off as a small entity focused solely on a shared ownership scheme, we’ve evolved over the years developing further programmes in response to the changing needs of our community.

Now offering several rental models, along with our award winning Secure Home leasehold programme, we’re catering to a much more diverse range of residents. From young single workers and couples seeking assisted ownership, through to seniors looking for affordable and secure long-term rentals. Of course families remain a high priority for us, and make up more than 50% of the waiting list demographics.

We’re also working hard to honour Te Tiriti o Waitangi, and actively engaged with local whānau to ensure Māori are aware of all housing opportunities with the Trust.

August saw our waiting list hit an all-time high of 806 eligible households. After rents having dropped by as much as 30% following the pandemic, we’re now starting to see rental costs creep back up as New Zealand’s borders reopen, and more properties are taken out of the long-term leasing pool and transferred into short term visitor accommodation.

One constant over 15 years has been our partnership with the Queenstown Lakes District Council. After facilitating the formation of the Trust in 2007, QLDC has been a steadfast partner in our vision to transform the lives of committed people in our district, by providing them an opportunity to secure an affordable place to call home. A recent review and update of our Relationship Framework Agreement confirmed our joint commitment to the delivery of affordable housing solutions across the district.

Internal Changes

Late last year we made some changes to the Property Coordinator function, increasing this to a full-time position, and a change in title to reflect the new responsibilities of the role. At the same time we welcomed long-term local Kiri Gillies onto the team. After a lengthy stint working in aircraft operations, Kiri was ready for a change and is adapting brilliantly to her new environment, within our small but efficient team.

Secure Home Programme

Three years on from launching our Secure Home programme, I’m delighted with its continued growth. From a humble pilot of 6 homes in Shotover Country, we now have a total of 46 households in the programme, with demand outstripping supply throughout our current developments.

Tewa Banks Timeline



Secure Home has gained interest across the country with two other organisations picking up this unique leasehold model, and additional banks lending to our households.

Of course our biggest success here has been winning the Leading Innovation Award at the Australasian Housing Institute's annual Brighter Future Awards. Entered by community housing providers from around New Zealand and Australia, this award recognises new thinking in the housing sector for initiatives or projects that have led to significant change in an organisation, with lessons that can then be applied more broadly to other housing organisations. We're so proud of this recognition and share this accolade with QLDC, acknowledging the concept for this programme was borne out of the Mayoral Housing Taskforce in 2017. Another win for our successful partnership.

Alps View Project

March saw completion of 13 new homes on land acquired through the inclusionary zoning process from the developer, Queenstown Commercial. This combination of 2 and 3-bed homes were completed on time and within budget, and allocated under a mixture of Secure Home, Affordable Rental,

Public Housing and our rent-to-buy programme, Rent Saver. The project was assisted with a \$2.7m interest-free loan from the Ministry of Housing and Urban Development, and we remain grateful to central government for its ongoing support in the progressive home ownership space.

Northlake Project

Earlier this year we commenced construction on 10 new homes in Northlake, Wanaka. These are on track for completion early 2023, and will be allocated into a combination of our Secure Home and rental programmes.

Tewa Banks Project

After delays in the planning phase of this 68-Lot development in Arrowtown, it was gratifying to secure Resource Consent for the build in April, with earthworks scheduled to commence this spring. Following a sustainability review which was completed earlier this year, we're making some exciting improvements to the design in order to improve energy efficiency of the homes, as well as the overall sustainability of this comprehensive development.

Julie



Above: The Vaugh family of Hikuwai taking part in a brand film for QLCHT.

Below: Richard and Julie with the AHI award.



Building
Consent
Issued

House
Construction
Begins

House
Allocation
Process
Underway

Staged
Completion
of Homes

**MARCH
2023**

**MAY
2023**

**JUNE
2023**

**JAN-DEC
2025**

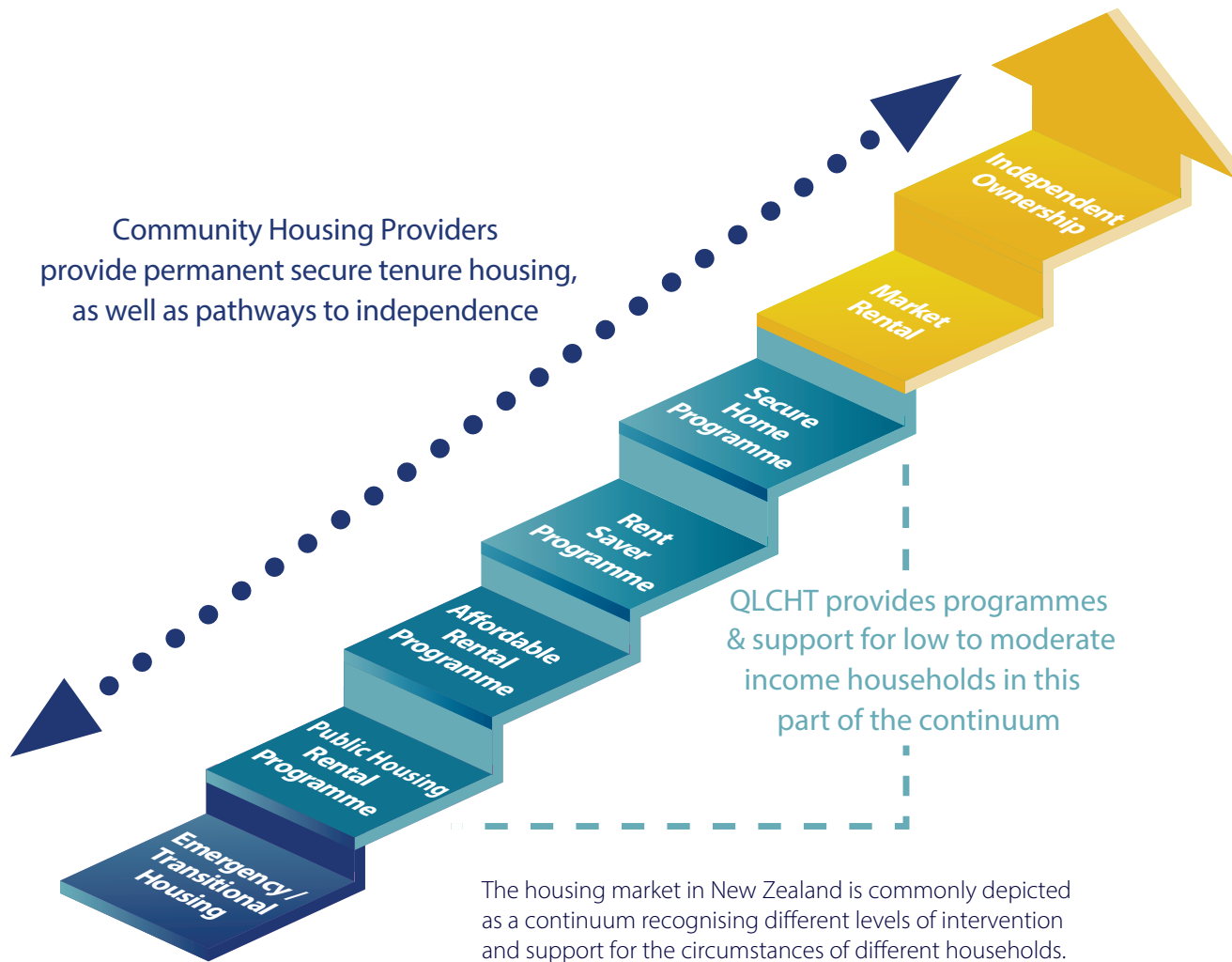
3-Year Pipeline



Top: Kris & Karla, Alps View homeowners.

Bottom: Rodnul, Ritasha, Ricardo and Rosabel, Toru homeowners.

Housing Continuum



243
households
assisted to date
– here's how...

124 Shared
Ownership
Programme

46 Secure
Home
Programme

13 Rent
Saver
(Rent-to-Buy
Programme)

10 Affordable
Rentals

50 Public
Housing
Rental

Summary Consolidated Financial Statements

For the Year ended 31 March 2022

Summary Statement of Comprehensive Income and Expense For The Year Ended 31 March 2022

	Note	Group	
		This Year \$	Last Year \$
Income			
Revenue From Exchange Transactions		19,081,924	2,796,777
Revenue From Non-Exchange Transactions		238,261	6,776,862
Other Income		15,048	116,400
Total Income		19,335,232	9,690,039
Less Expenses			
Cost of Goods Sold		15,783,867	453,141
Administration Expenses		143,462	87,706
Operating Expenses		575,676	262,809
Finance Expenses		377,681	233,847
Other Expenses		887,730	660,366
Total Expenses		17,768,415	1,697,869
Surplus for the Year and Total Comprehensive Revenue and Expense		1,566,817	7,992,170

Summary Statement of Changes in Equity For The Year Ended 31 March 2022

	Note	Group	
		This Year \$	Last Year \$
Equity As At Start Of Year		32,227,235	24,235,065
Comprehensive Revenue and Expense		1,566,817	7,992,170
Equity As At 31 March 2022		33,794,052	32,227,235

Summary Statement of Financial Position As at 31 March 2022

	Note	Group	
		This Year \$	Last Year \$
Equity		33,794,052	32,227,236
Represented by:			
Assets			
Non Current Assets		43,687,353	21,904,574
Current Assets		8,902,648	18,477,934
Total Assets		52,590,001	40,382,508
Less Liabilities			
Non Current Liabilities		17,976,433	5,832,816
Current Liabilities		819,516	2,322,457
Total Liabilities		18,795,949	8,155,272
Net Assets As Per Total Equity		33,794,052	32,227,236

Summary Statement of Cash Flows As at 31 March 2022

	Note	Group	
		This Year \$	Last Year \$
Cashflows from Operating Activities		8,229,749	4,659,568
Cashflows from Investing Activities		(18,896,922)	(7,509,867)
Cashflows from Financing Activities		10,395,028	2,342,988
Net increase/(decrease) Cash and Cash Equivalents		(272,145)	(507,311)
Cash & Cash Equivalents at the Beginning of the Year		8,146,931	8,654,242
Cash & Cash Equivalents at the End of the Year		7,874,787	8,146,931

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 2022. The specific disclosures included in the summary financial statements have been extracted from the full financial statements dated 19 July 2022. 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 2022 was unqualified. The summary financial statements were authorised for issue by the Trustees on 19 July 2022.

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

The Trust has completed construction of 13 houses at its Alps View development in the Lake Hayes Estate subdivision of Queenstown. The total project cost \$5,661,084 excluding land. The Trust is currently building 10 houses in the Northlake subdivision in Wanaka. The total project is budgeted to cost \$5,457,030 excluding land; at 31 March 2022 \$65,725 had been spent. The project is due for completion in February 2023.

As at 31 March 2022, the Trust had received a land transfer for a 68-Lot development at its Tewa Banks project in Arrowtown, and was in the process of finalising design of these homes before going out to tender for the civil and construction works. Civils works are expected to start in August 2022.

QLDC Contributions

During the year ended 31 March 2022 the Queenstown Lakes District Council (QLDC) granted QLCHT 3.6831 hectares of land at Jopp Street Arrowtown for the purpose of affordable housing development by QLCHT. The land was transferred by QLDC for a nominal sum of \$1. QLCHT has a 999 year lease on the land at an annual rental charge of \$1 per annum. The title of the land is subject to an encumbrance that prevents QLCHT from selling or transferring the land to a third party, and in the event QLCHT was ever wound up the land would transfer back to QLDC for consideration of \$1. The encumbrances on the land means it is difficult to determine the fair value of the land, as this is usually based on a willing buyer and willing seller scenario. In this case the encumbrances over the land prevent QLCHT from being able to sell the land. QLCHT has not attributed any value to the property on the basis that fair value can not be reliably determined. Notwithstanding this QLCHT considers the land important in the context of developing affordable housing on the land. The development asset will reflect the cost of construction for the affordable housing, with no value attributed to the land component as a result of the encumbrances noted above.

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	<p>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 2022, and the 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 2022.</p> <p>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: Summary Financial Statements issued by the New Zealand Accounting Standards Board.</p>
Summary consolidated financial statements	<p>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.</p>
The audited consolidated financial statements and our report thereon	<p>We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 19 July 2022.</p>
Board of Trustees' responsibilities for the summary consolidated financial statements	<p>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>.</p>
Auditor's responsibilities	<p>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>.</p> <p>Other than in our capacity as auditor, we have no relationship with or interests in the entity.</p>
Restriction on use	<p>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.</p>

Deloitte Limited

Dunedin, New Zealand
19 July 2022

Directory

Date of Incorporation	12 July 2007
Trustees	R B Thomas P A J Smith J M Conroy R J Key J E Macdonald B G McLeay
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
Grant Funders	New Zealand Sotheby's International Realty Queenstown Lakes District Council

Brand Review

This year we took some time out to review and refresh the QLCHT brand.

Our Purpose

Provide affordable, community housing solutions.

Our Vision

Transform the lives of committed people in our district by providing them an opportunity to secure an affordable place to call home.

Our Values

- Get excited about helping people into a home to call their own.
- Maintain consistency, professionalism and respect.
- Break ground and climb mountains.
- Seek out emerging development and funding opportunities.





“A home is a kingdom of its own in the midst of the world, a stronghold amid life’s storms and stresses, a refuge, even a sanctuary.” Dietrich Bonhoeffer



QUEENSTOWN LAKES
**Community
Housing Trust**

This last year has shown what a success story the Community Housing Trust is for helping locals into their own homes in the Queenstown Lakes District and beyond. With a growing list of exciting developments such as Alps View, the Toru apartments in Frankton, Tewa Banks in Arrowtown, along with Hikuwai and Northlake in Wānaka, the Trust continues to provide an essential service for those who otherwise would be unable to access the property market. Despite recent statistics showing a fall in house prices, a national average for over \$1 million does not make home ownership a reality for a significant number of people.

The Trust should be particularly proud in this last year to have been awarded the Leading Innovation Award by the Australasian Housing Institute for the ground-breaking Secure Home product. This international recognition reflects the forward-thinking and vital work that the Trust does for this community.

It is great to see the Trust continue to deliver such positive outcomes 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

