



QUEENSTOWN LAKES

**Community
Housing Trust**

www.qlcht.org.nz

ANNUAL REPORT 2023

Unlocking homes in our community

Trust Funds \$45,733,756 (↑ 35%)

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



Chair's Report

It's with great pleasure I present the 2023 QLCHT annual report. I'm about a year and half into the role as Chair and in that short time, the need in our community has increased by 30% with over 1000 eligible households on the Trust's waiting list.

A range of external factors and central government policy settings have had unintended consequences in our region. These include the removal of tax deductibility from existing rental properties, changes to the Residential Tenancies Act making it harder to end fixed-term rentals, and the application of Healthy Homes regulations applying to rental stock, but not short-term lets. This has made visitor accommodation platforms more attractive with the direct result being a shift of our district's rental stock into short-term letting, or even remaining vacant. These factors have significantly exacerbated the housing issues in our region.

We've witnessed a growing need for both affordable rentals and entry-level housing to purchase, so we welcome the collective approach of the Joint Housing Action Plan, and the opportunity to bring in further central Government support in different ways, to enable our district to build better housing resilience.

The QLCHT board and executive welcome the collaborative relationship with new Mayor Glyn Lewers and his Council. As councillor representatives to QLCHT, Lisa Guy, Matt Wong and Cody Tucker are extremely supportive and strong advocates of the Trust.

Against that backdrop the QLCHT board and small, but very effective executive team have delivered another year of strong results. 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 2023 up 35% to \$45.7m against \$33.7m in 2022.

We're cracking on with our Tewa Banks development with civil works underway and will begin house construction early 2024. This will be our largest development to date delivering 68 homes. The Trust has a further 28 homes under construction at Longview in Hāwea due for completion late 2024. We completed and handed over nine warm, secure, affordable homes at Northlake in Wānaka just before Easter. A number of other housing projects are also progressing at pace throughout both the Whakatipu and the Upper Clutha.

We are committed to investigating innovations in building methods, materials, and technology advances in an effort to deliver more energy and cost-efficient housing solutions for our community. Ground source heating at Tewa Banks is a great example of this.

The Trust remains focused on assisting 1000 households into affordable and secure housing by 2038. Absolutely key to hitting our goal is implementing inclusionary housing into the District Plan. Commissioners have been appointed and a hearing will take place in early 2024. Inclusionary housing will go a long way towards building enough homes to assist the 1000 plus households on our waiting list.

I'd like to thank the continued support of our funders QLDC, central Government, Central Lakes Trust and a number of market banks - we're grateful for their backing over this past year. We also extend our thanks to the developers who have contributed land/cash through the inclusionary housing process, enabling us to build more homes for the community.



Richard Thomas, Chair



*Julie Scott,
Chief Executive*

Chief Executive's Report

The shift from capacity building to scaling up

2023 has seen a shift in pace for the Trust. With 138 homes in our current portfolio, I'm pleased to report we have 96 properties under construction across the district, and a further 30 in the design phase. Over the next few years, we expect to deliver hundreds more homes in areas including Kingston, Coneburn, Hanley's Farm, Arthurs Point, Cardrona, Wānaka and Hāwea. A key objective of all our developments is not just building homes, but creating communities. It's critical our people can live in connected and safe communities.

In August 2023 we reached the significant marker of 1000 households on our waiting list. This demonstrates the dire housing situation within our district, particularly for renters. The distinction between the "haves" and the "have nots" have never been so prominent, with many in the latter category finding themselves in the alarming position of facing homelessness. Yet we know around a quarter of homes in the district are sitting empty. It seems we have enough houses - we just can't access them.

We've been shocked, alongside our local community, to witness residents living in tents and vehicles in the heart of winter. As such we've been actively working with other stakeholders to find both immediate and longer-term solutions to address these challenges. This ties in with the newly adopted housing plan for our district, the Joint Housing Action Plan – see page 6 for further details.

QLCHT is actively looking for opportunities to partner with third parties to continue scaling up the provision of community housing across the district. The success of the Toru apartments in 2021 showed us what we can achieve when partnering with a private developer, local Council and central government, and we seek more solutions akin to this.

Connecting with the sector

I had the privilege of attending the national Community Housing Aotearoa conference earlier this year, alongside 500 hardworking and passionate sector individuals. This was a wonderful chance to reflect on New Zealand's housing systems and solutions. Collaboration was

highlighted as a key strength in our small but mighty sector, and I'm proud of the role QLCHT plays in sharing our programmes, learnings and resources wherever we can. The hui was a reminder of the need to remain adaptable to stay sustainable. A clear message from the sector was that despite the overwhelming need for more affordable housing, there are plenty of innovative solutions being delivered which could be replicated around the country.

Strength in collaboration

This year saw a Memorandum of Understanding established with Te Matapihi He Tirohanga Mō Te Iwi Trust. Te Matapihi is the peak body for Māori housing in Aotearoa, with the vision of "He mana kāinga, he kāinga ora - Thriving Māori whānau". The MoU acknowledges the alignment of our two organisations' respective purposes and kaupapa. It provides recognition of the approach QLCHT takes to sharing our intellectual property and learnings across the country. This is a prevalent trait throughout our sector and aptly described by a sector colleague as a Housing System Citizen. This means we act in ways based on what is best for Aotearoa's whole housing system, not just our own organisation. We do this because it's the only way we will deliver true improvements to our housing systems, and realise our collective vision of "All New Zealanders well-housed".

Under the hood

Our small team has continued to grow with two further appointments. Shotover Country local Trish Daley was appointed into the newly created Development Design Manager role last year. With a project management background, Trish oversees our various developments from the design stage through to completion. In July, a new Tenancy Manager position was established in the Upper Clutha, with Wānaka local Emma Roberts appointed to the role. With a background in the retail banking industry, Emma is well placed to work with our households on all levels.

It was a delight to launch our new website earlier this year. This new platform provides a user friendly experience for all those wanting

to learn more about our different programmes, developments and various resources. For those seeking housing assistance with QLCHT, registering via our website is the first step in the process.

Hanley's Farm

Under an agreement with the developer of Hanley's Farm, we took on the management of five brand new rental properties this year which have been allocated to local families at a discounted rent. With a further 80 homes anticipated to be delivered under this structure over the next few years, this arrangement provides a fantastic pipeline of affordable rental stock along Queenstown's southern corridor.

Northlake project

April saw completion of nine new homes in Northlake, Wānaka. This combination of 3 and 4-bed homes were completed on time and within budget, and allocated under a mixture of our Secure Home and rental programmes. This development saw us welcome Westpac on board as a lender to our Secure Home purchasers. The project was assisted with a \$1.6m interest-free loan from the Ministry of Housing and Urban Development (HUD), and we extend our thanks to central government for its ongoing support in the progressive home ownership space.

Longview project

Our 28 homes under construction in Lake Hāwea are on track for a 12-month staged completion from September 2023, and will be allocated into a combination of our Secure Home and rental programmes. Once again, HUD will be supporting the development through a Progressive Home Ownership Fund loan.

Tewa Banks

A major milestone was celebrated late last year with a ground breaking ceremony on this sizable Arrowtown development. The significance of this development cannot be underestimated and we're grateful for the overwhelming support from the wider Arrowtown community.

Energy efficient and sustainable design has been a core goal of this project, with the most exciting feature being the innovative Ground Source Heat Pump heating/cooling system. Whilst this comes at a substantial investment outlay to the Trust, the benefit to residents through exceptionally low power outgoings, will ultimately outweigh our capital costs.

Inclusionary Housing

We believe that when value uplift occurs through development – a social licence enabled through Council planning processes – then a set percentage of the development should be required to be provided as affordable housing, with a retention mechanism in place to ensure affordability remains in perpetuity. This is the basic principle of inclusionary housing and has been a key contributor to the success of our Trust.

None of the above projects would be possible without inclusionary housing implemented by the Queenstown Lakes District Council over the last 20 years. We look forward to the QLDC's inclusionary housing plan change hearing in the new year.

Julie

Below: : Julie and Richard with Westpac NZ Chief Executive Officer, Catherine McGrath



Joint Housing Action Plan

As the principal provider of affordable and community housing in the Queenstown Lakes, QLCHT was excited to be an integral partner in the establishment of a new housing plan for our district, the Joint Housing Action Plan, aka the JHAP.

The formation of the JHAP has been a collaborative effort between the Queenstown Lakes District Council, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development, Kāinga Ora and ourselves, and includes input from Kāi Tahu and the Otago Regional Council. It is an important output of the Grow Well Whaiora Spatial Plan.

The action plan features nine housing solutions which focus largely on the often unseen, but vital levers that influence the development and availability of housing, including one key action confirming ongoing support to enable QLCHT to scale up its delivery of homes.

This collaborative approach brings central government partners into the folds of local housing strategy for the first time – enabling us all to hold each other to account on the delivery of the agreed actions.

QLDC led the group through the 12-month long creation process and has been charged with reporting on its progress through agreed key indicators.

JHAP Vision: Improve housing outcomes and neighbourhood design to develop thriving communities.

JHAPs Nine 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.



Summary Consolidated Financial Statements

For the Year ended 31 March 2023

Summary Statement of Comprehensive Income and Expense For The Year Ended 31 March 2023

Note	Group	
	This Year \$	Last Year \$
Income		
Revenue From Exchange Transactions	1,908,232	19,854,529
Revenue From Non-Exchange Transactions	11,847,553	238,261
Other Income	51,439	15,048
Total Income	13,807,224	20,107,837
Less Expenses		
Cost of Goods Sold	-	16,556,472
Administration Expenses	115,543	143,462
Operating Expenses	445,761	575,676
Finance Expenses	369,092	377,681
Other Expenses	937,504	887,730
Total Expenses	1,867,899	18,541,020
Surplus for the Year and Total Comprehensive Revenue and Expense	11,939,325	1,566,816

Summary Statement of Financial Position As at 31 March 2023

Note	Group	
	This Year \$	Last Year \$
Equity	45,733,376	33,794,052
Represented by:		
Assets		
Non Current Assets	53,997,283	42,914,748
Current Assets	11,895,039	8,902,648
Total Assets	65,892,323	51,817,396
Less Liabilities		
Non Current Liabilities	18,046,595	17,203,828
Current Liabilities	2,112,351	819,516
Total Liabilities	20,158,946	18,023,344
Net Assets As Per Total Equity	45,733,376	33,794,052

Summary Statement of Changes in Equity For The Year Ended 31 March 2023

Note	Group	
	This Year \$	Last Year \$
Equity As At Start Of Year	33,794,052	32,227,235
Comprehensive Revenue and Expense	11,939,325	1,566,817
Equity As At 31 March 2023	45,733,376	33,794,052

Summary Statement of Cash Flows As at 31 March 2023

Note	Group	
	This Year \$	Last Year \$
Cashflows from Operating Activities	4,136,750	8,229,749
Cashflows from Investing Activities	(10,768,302)	(18,124,317)
Cashflows from Financing Activities	10,693	9,622,423
Net increase/(decrease) Cash and Cash Equivalents	(6,620,859)	(272,145)
Cash & Cash Equivalents at the Beginning of the Year	7,874,787	8,146,931
Cash & Cash Equivalents at the End of the Year	1,253,928	7,874,787

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 2023. The specific disclosures included in the summary financial statements have been extracted from the full financial statements. 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 2023 was unqualified.

The summary financial statements were authorised for issue by the Trustees on 3 May 2023.

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 is due to complete construction of 10 homes at its Northlake development in Wānaka. The total build cost is budgeted to be \$5,427,487, excluding land; as at 31 March 2023, \$5,323,247.98 had been spent. The project is due for completion in May 2023.

The Trust is currently building 28 homes in the Longview subdivision in Lake Hāwea. The total build cost is budgeted to cost \$14,803,351 excluding land; as at 31 March 2023, \$1,858,477 had been spent. The project is due for completion in May 2024.

The Trust is currently undertaking Earthworks for 68 homes at the Tewa Banks site in Arrowtown. The total build cost is budgeted to cost \$52,071,823 excluding land; as at 31 March 2023, \$2,902,631 had been spent. The project is due for completion in April 2026.

QLDC Contributions

During the year ended 31 March 2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 1.1 hectares land at "Longview" Cemetery Road, Lake Hāwea, for the purposes of affordable housing. The land has been recorded at fair value of \$11,475,000. In addition payments were also received totalling \$322,523 from other developers.

During the year ended 31 March 2022 the Queenstown Lakes District Council (QLDC) granted QLCHT 3.7 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 encumbrance 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 encumbrance over the land prevents 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 encumbrance noted above, until such time as the encumbrance has been removed and replaced with a less restrictive covenant. This is expected to occur June 2023.





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 2023, 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 2023.</p> <p>In our opinion, the accompanying summary consolidated financial statements, on pages 8 and 9 and the service performance reporting on page 11, is 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 18 July 2023.</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
18 July 2023

Directory

Date of Incorporation	12 July 2007
Trustees	J M Conroy R J Key J E Macdonald B G McLeay P A J Smith R B Thomas
Accountants	McCulloch & Partners, Queenstown
Solicitors	RVG Law, Queenstown
Bankers	ASB Bank, Queenstown SBS Bank, Queenstown Westpac, Dunedin
Other Lenders	Central Lakes Trust Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development
Auditors	Deloitte, Dunedin
IRD Number	97-121-805
Membership Organisations	Australasian Housing Institute Community Housing Aotearoa Community Networks Wānaka KiwiBuy Coalition Queenstown Business Chamber Queenstown Interagency Strengthening Families Local Management Group Wānaka Business Chamber
Grant Funders	New Zealand Sotheby's International Realty Queenstown Lakes District Council

Statement of Service Performance

As at 31 March 2023

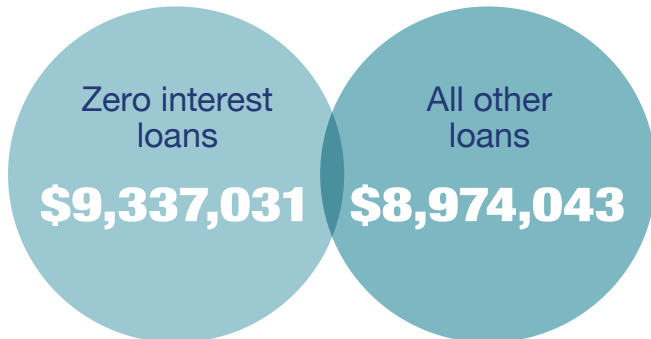
Key Strategic Goals

- ✓ Provision of housing
- ✓ Enhance stakeholder relationships
- ✓ Self sufficiency
- ✓ Leader in housing sector

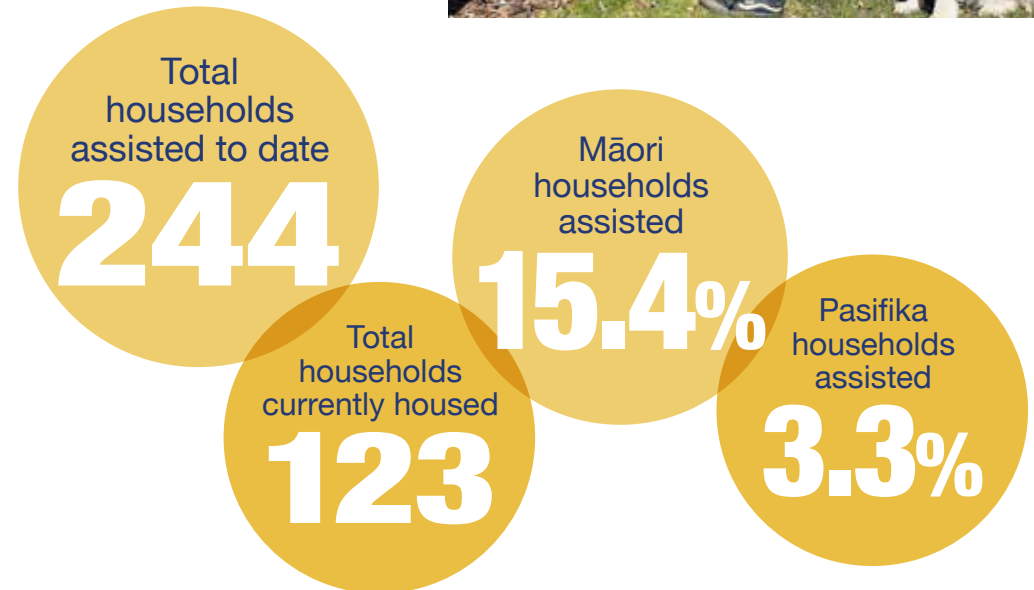
Enhance Stakeholder Relationships

Relationship Framework Agreement with Queenstown Lakes District Council reviewed and updated, August 2022

Self Sufficiency



Provision of Housing



Leader in Housing Sector

Management presentations to external groups sharing QLCHT model and learnings in 2023 **12**



This year, Queenstown Lakes District Council has continued to keep pace with progressing work to help the people of our district access affordable homes. Together with the Queenstown Lakes Community Housing Trust and Grow Well Whaiora, the partnership has developed the Joint Housing Action Plan (JHAP). This plan is a cohesive approach towards housing in the district and with unanimous endorsement by Councillors, it is clear that this is important for us all. While other areas of the country show a downward trend in house prices, our district continues to show upward growth rates making home ownership an untenable goal for many. This year highlighted the increased demand for housing services in our district and so having Key Action Point 4 in the JHAP to 'continue to amplify the work of the Queenstown Lakes Community Housing Trust' provides that framework and accountability to keep pushing forward.

Another significant decision made by Council in support of the Trust this year includes the lifting of the encumbrance on Jopp Street. This decision enables the Trust to proceed with the development of Tewa Banks bringing 68 affordable homes to those who need them. It is especially pleasing to see this development progressing after many years of hard work by all involved.

As we look to the year ahead, Council continues to progress the work on the Inclusionary Housing Plan Change for the Proposed District Plan. Formalising the requirement that new residential subdivisions and developments pay an 'affordable housing financial contribution' aims to provide more certainty around the construction of affordable housing and shows Council's commitment to the Trust and its valuable work.

The Trust continues to be recognised by other councils across the country, often being invited to speak at various forums, including this year's Annual Affordable Housing Summit. The Trust and its members can certainly be very proud of the incredibly valuable work they do.

Glyn Lewers, Queenstown Lakes Mayor



QUEENSTOWN LAKES
**Community
Housing Trust**

Unlocking homes in our community.



**“They who serve best,
profit most”**

Robert Laidlaw CBE, Farmers Trading Company.