

QUEENSTOWN LAKES COMMUNITY HOUSING

# TRUST

## Annual Report

Affordable Housing for Our Community



[www.qlcht.org.nz](http://www.qlcht.org.nz)



Helping lower income residents into safe and affordable housing tenures

**Trust Funds**  
= \$11,349,855 (+30%)



Building an enduring asset for our community

**Trustees**

Brian Donnelly, Dennis Pezaro, David Cole,  
Barry Robertson and Stephen Brent



# Chairman's Report

Housing - the cornerstone that underpins strong communities.



The allure of the local landscapes is a magnet for many to set up home here in our spectacular district. Many are well heeled, some with multiple homes elsewhere in the world, but it would be wrong to characterise our community as wealthy. Our tiny residential population supports up to 2 million tourists who flock here to experience the sights and the outdoor pursuits we have to offer. Behind the tourism and wealthy glitter are ordinary hard working people providing the essential services to keep the region functioning. They not only include hospitality workers but schoolteachers, police, nurses and community service people. Many are on very limited incomes in an area that arguably has the highest accommodation costs in the country. The role of the Trust is to provide appropriate and affordable housing to lower income workers through carefully designed support programmes, that in the fullness of time allow them to achieve independent living.

Over 8 years the Trust has provided financial support for nearly 100 households and is clearly making a difference for a growing number of struggling families. Funding for the Trust is largely provided by developers with matching support from the Crown. A relatively small operating grant is provided annually by Council.

Regrettably over the past 12 months, the government has stopped its funding for the community housing sector, directing its policies towards the social housing sector, as part of its attempt to sell down the \$16b of assets owned by Housing New Zealand. From a Trust's perspective the affordability problem is not with state housing tenants who only ever pay 25% of their gross incomes in rent, but low income workers who don't meet the social housing threshold tests, leaving them spending up to 60% of their incomes on housing. We see these people every day. This is where the Trust operates and delivers its support programmes.

Developers in our district have responded positively to the affordability problem by invariably making a contribution of sections which are held by the Trust on behalf of the community as part of a subdivision consent application. Without their support it would be difficult to build and retain a level of assets that enables the Trust to recycle funds to assist more households. While the Trust embraced the Special Housing Areas announced between Council and the Crown, it was disappointing that the first subdivision approved received the benefits of a fast tracked consent but chose not to make a contribution like other developers.

This past year, the Trust completed the first four houses at Suffolk St in Arrowtown and is on target for completing the remaining six by Christmas. These properties are being tenanted by carefully screened and deserving applicants in a new Affordable Rental programme. The Trust is also completing infrastructure for a new neighbourhood at Shotover Country which will comprise 44 mixed tenure homes. Building is expected to start in summer.

It has also been a transition year for the Trust. We have been fortunate since inception to have retained a very stable group of capable trustees, but in March the final terms for three of our trustees came to an end and I must acknowledge the significant contribution made over eight years by Barry Robertson, Brian Donnelly and Dennis Pezaro. They have provided tireless service and support for the Trust's work and leave behind a legacy of a more inclusive district helping the housing needs for a significant number of struggling workers. The new replacement trustees are Gigi Hollyer, Joanne Conroy and Peter Southwick, and I welcome their enthusiasm and varied skills for continuing the agenda.

My particular thanks also to Julie Scott and Ginny Creak who manage the operations of the Trust and who deal face to face with the evolving housing hardship many in our community experience. Their skill in managing a diverse and demanding agenda has allowed good separation between governance and management within the Trust.

Among our stakeholders of course are the Councillors and I am always grateful for their willingness to listen and understand the housing issues in our district when they have a much wider agenda to consider.

It was gratifying to lift the overall assets under management during the year but we still have lots to do. We currently have several hundred eligible households on our database struggling with their housing, and our capacity to help depends on growing Trust funds. At the end of the day this is an organisation that belongs to the community and I am proud of the way trustees have always sought a healthy debate and exchange of ideas on how best to deploy the funding we receive to better assist the plight of the housing needs in our district.

A handwritten signature in blue ink, appearing to read 'David Cole'.

David Cole

# Operations Report

## Housing Demand

Our waiting list of eligible households continues to increase in step with local population growth. This list currently sits at 290 singles, couples and families who all meet our eligibility criteria and are actively seeking assistance. Both Queenstown and Wanaka have seen a severe shortage of rental properties this year which has exacerbated the local housing issue. Accounts of workers (including families) living in cramped conditions - often with up to three or four people per bedroom - highlights the serious issue of insufficient housing in the district. Of further concern is the impending loss of the affordable cabins at the Queenstown campground and the displacement of these mostly low income households. The Housing Trust, along with Council, recognises the problem and is actively looking for opportunities to increase the supply of rental properties in the district.

## Suffolk Street

Stage 1 comprising four 3 bedroom homes was completed within budget and on time earlier this year, with the four new households moving in immediately. We're now in the middle of construction for Stage 2 of the development. This will provide a further four 3 bedroom homes for local residents on modest incomes, as well as two 2 bed properties for the elderly.

## Shotover Country

Civil works commenced at Shotover Country in early 2015 and is on schedule for completion at the end of this year. We're presently working through a design build process and expect construction on the 44 homes to begin in the New Year with the goal of completing the development in full by the end of 2016. Our goal remains to create an attractive and functional comprehensive development, which incorporates clever urban design with small entry level homes which will be accessible to low-moderate income workers.

## Income Related Rent Subsidy

This year the Trust was successful in securing a contract with the Ministry of Social Development which enables qualifying tenants in the Affordable Rental programme to be eligible for an income related rent. The Crown then provides a subsidy back to QLCHT ensuring the Trust receives full market rent on that property. This subsidy is only available to registered Community Housing Providers who meet a number of qualifying parameters.

## Other Activities

QLCHT recognises the importance of wraparound services for its clients and works closely with other social service groups to ensure its clients get all the help they need. This includes attending monthly Interagency meetings with representatives of local social services groups; chairing the local Community Link Management Group (Community Link is a collection of social agencies as chosen by the community who are regularly available to the public from the Queenstown Work and Income office); acting as a Facilitator for the local Strengthening Families organisation; and providing time and knowledge to any other community housing provider seeking advice on QLCHT programmes.

*Julie Scott*

Executive Officer







# Housing Continuum

## Eligibility Criteria

- Must have permanent NZ residency.
- Must have lived in the district for 6 months.
- One household member must be in full time employment.
- Household income must not exceed 120% of the area median.
- Applicants must not own other property.

Community Housing Organisations are providing pathways for households to full independent living



# Our Programmes

## Affordable Rental

This programme has been well received at Suffolk Street, Arrowtown. Geared for low income households with low or nil deposit, rents are set based on the household's income. Leases are for a maximum of 5 years during which time the household is expected to clear themselves of debt and establish savings to progress towards another of the Trust's programmes or independence. Priority is given to households which qualify for the Income Related Rent Subsidy.

## Rent Saver

This highly rated programme provides secure tenure for households along with an inbuilt savings incentive, so that over 5 years the household will have saved sufficient deposit to allow them to progress into a Shared Ownership property or independence. The household pays market rent under a standard residential tenancy agreement during the duration of the programme.

## Shared Ownership

This continues to be our most popular programme for so many low-moderate income workers who cannot make that first step into home ownership due to high property prices in the district. We have now assisted 80 households in this manner and have had 25 either buy us out completely or sell their share and become independent of the Trust. The Trust acts as a silent partner in the property and is registered on the title owning anywhere between 15% and 40%. We have Shared Ownership properties right across the district from Glenorchy through to Hawea and everywhere in between.

## Starter Loan

This programme has proven itself to be a very successful model and we hope to replicate this pilot for the Shared Ownership households at Shotover Country. Investor funds are borrowed by Queenstown Housing Bonds Ltd, a wholly-owned subsidiary of QLCHT, to provide five year fixed interest loans at rates significantly below the market rates.





## The Stats

As at 31 March 2015

### Total Households Helped

# SO properties:	80
# Rent-Saver properties:	5
# Affordable Rental properties:	4
# Starter Loans Issued:	25
Avg investment:	\$125,571
Sales/staircases:	23



CLOCKWISE FROM TOP LEFT:  
Kirimoko Cottages development site,  
Wanaka; Suffolk Street Stage 1 Development;  
Nerin Square; Nerin Square; Julie Scott and a  
Suffolk St household (photo from Fairfax NZ).

# Summary Consolidated Financial Statements

For the Year ended 31st March 2015



## Summary Statement of Financial Performance

	Group 2015 \$	Group 2014 \$
<b>INCOME</b>		
Property Sales	-	3,327,508
Cost of Property Sold	-	3,210,593
<b>Gross Surplus from Property Sales</b>	-	116,915
<b>OTHER INCOME</b>	3,366,449	1,952,573
<b>TOTAL INCOME</b>	3,366,449	2,069,488
<b>LESS EXPENSES</b>		
ADMINISTRATION EXPENSES	90,133	92,985
OPERATING EXPENSES	49,791	40,277
FINANCE EXPENSES	251,418	254,294
OTHER EXPENSES	373,626	384,981
<b>TOTAL EXPENSES</b>	764,968	772,537
<b>SURPLUS BEFORE EXTRAORDINARY ITEMS</b>	2,601,481	1,296,951
CROWN GRANT INCOME	-	6,009,337
LESS TAX EXPENSE	-	6,012,815
<b>SURPLUS FOR THE YEAR</b>	2,601,481	1,293,473

## Summary Statement of Movement in Equity

	Group 2015 \$	Group 2014 \$
Opening Balance	8,748,374	7,454,901
<b>PLUS</b>		
Surplus for the Year	2,601,481	1,293,473
<b>BALANCE AT YEAR END</b>	11,349,855	8,748,374

## Summary Statement of Financial Position

	Group 2015 \$	Group 2014 \$
<b>TRUST FUNDS</b>	11,349,855	8,748,374
<b>NON CURRENT ASSETS</b>	18,191,755	15,757,657
<b>CURRENT ASSETS</b>	1,944,456	6,942,915
<b>GROSS ASSETS</b>	20,136,211	22,700,572
<b>LESS LIABILITIES</b>		
<b>NON CURRENT LIABILITIES</b>	8,509,284	7,658,149
<b>CURRENT LIABILITIES</b>	277,072	6,294,049
<b>TOTAL LIABILITIES</b>	8,786,356	13,952,198
<b>NET ASSETS AS PER TOTAL EQUITY</b>	11,349,855	8,748,374



# Statement Of Accounting Policies

## 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 2015. The specific disclosures included in the summary financial statements have been extracted from the full financial statements dated 22 July 2015. 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 FRS-43 (PBE) – Summary Financial Statements.

The entity qualifies for differential reporting as it is not publicly accountable and the entity does not exceed the size criteria. All differential reporting exemptions have been taken advantage of, with the exception of SSAP 22 Related Party Transactions.

The audit opinion on the full financial statements for the year ended 31 March 2015 was unqualified.

The summary financial statements were authorised for issue by the Trustees on 22 July 2015.

## 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](http://www.qlcht.org.nz)**



### INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE TRUSTEES OF QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

#### Report on the Summary Financial Statements

The accompanying summary financial statements of Queenstown Lakes Community Housing Trust and group on pages 8 to 9, which comprise the consolidated summary statement of financial position as at 31 March 2015, and the consolidated summary statement of financial performance and consolidated summary statement of movements in equity for the year then ended, and related notes, are derived from the audited financial statements of Queenstown Lakes Community Housing Trust for the year ended 31 March 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 22 July 2015.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Queenstown Lakes Community Housing Trust.

#### Board of Trustees Responsibility for the Summary Financial Statements

The Board of Trustees are responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43: *Summary Financial Statements*.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in Queenstown Lakes Community Housing Trust or any of its subsidiaries.

#### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Queenstown Lakes Community Housing Trust for the year ended 31 March 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-43: *Summary Financial Statements*.

Chartered Accountants  
22 July 2015  
Dunedin, New Zealand

# Directory

For the Year ended 31st March 2015

Settlor	Graeme Morris Todd
Date Settled	15 January 2007
Date Of Incorporation	12 July 2007
Trustees	D A Cole B J P Robertson (retired 31 March 2015) D L Pezaro (retired 31 March 2015) B P Donnelly (retired 31 March 2015) Stephen Brent P B Southwick (appointed 26 January 2015) G H A Hollyer (appointed 31 March 2015) J M Conroy (appointed 31 March 2015)
Accountants	McCulloch & Partners, PO Box 64, Queenstown
Solicitors	Anderson Lloyd Lawyers, Queenstown Preston Russell Law, Queenstown Cavell Leitch Law, Queenstown
Bankers	ASB Bank, Queenstown SBS Bank, Queenstown
Auditors	Deloitte, Dunedin
IRD Number	97-121-805
Membership Organisations	Queenstown Community Link Queenstown Interagency Group Queenstown Chamber of Commerce Community Housing Aotearoa Member of Australasian Housing Institute



"Affordable housing is an issue for our whole community, with supply and demand in a more complex relationship than in many other communities. The Council is working with the Government to establish Special Housing Areas that will see an additional 1300 homes built in the Wakatipu Basin by the end of 2017. The review of our District Plan gives us the opportunity to review the mix and location of high, medium and low density housing, which should also have a positive impact on the availability of housing in our district. We value the work done by the Community Housing Trust and are committed to supporting its efforts."

– Mayor Vanessa van Uden





# Shotover Country



- Assist 44 families into long term, secure tenure housing;
- Deliver a mix of rental and ownership dwellings;
- Ensure the development doesn't risk other Trust assets;
- Build efficient homes with sound energy ratings at a competitive price
- Create an aesthetically pleasing development;
- Honour a duty of care to the developers gifting the land;
- Enhance Trust Funds to enable more assistance to future households in need.



Home is the nicest word there is.

Laura Ingalls Wilder

# HOME



Newly Appointed Trustees  
Gigi Hollyer, Peter Southwick and Joanne Conroy

