



QUEENSTOWN LAKES
**Community
Housing Trust**

ANNUAL REPORT 2024

www.qlcht.org.nz

Contents

- 3 Chair and Chief Executive's Report
- 6 Renters Survey
- 8 Financials
- 10 Auditor's Report & Directory
- 11 Statement of Service Performance
- 11 Meet the Team

**Trust funds
in 2024**
\$66,020,282 (↑ 44%)

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



Chair and Chief Executive's Report

Kia ora and welcome to QLCHT's annual report for 2024 - unlocking homes in our community.

Collaboration is key

The past year has been one of increased connection and collaboration with various stakeholders. Our ongoing relationship with the Queenstown Lakes District Council continues to strengthen as we work towards our shared goal of 1000 new homes by 2038. Councillor liaisons Matt Wong, Lisa Guy and Cody Tucker play an integral role in maintaining that relationship. And it's fantastic to note a new position within QLDC with a strategic housing focus, through the appointment of Emily Irwin.

We extend our gratitude to our long term partner Central Lakes Trust, alongside Community Trust South, for providing project funding for our 2024 Renters Survey - read on for an executive summary of this important piece of work. The narrative data collected from the 950 respondents is confronting to say the least. At the same time it highlights the critical role our trust plays in providing affordable and secure tenure housing to so many in our district. Alarming, 76% of respondents consider housing affordability to be a barrier to their long term commitment to the district.

Thanks goes out to New Zealand Sotheby's International Realty (NZSIR), who for the second year have provided us operational grant funding. This reflects their own commitment of giving back to their community, with a particular focus on the local housing sector.

We recently signed a Heads of Agreement with local kaupapa Māori organisation, Mana Tāhuna, which acknowledges our shared values and kaupapa around housing. The HoA outlines our desire to collaborate with the mutual objective of facilitating Māori, and other people and families with housing need and housing vulnerability, into affordable housing.

We're proud to be working closely with many local schools and other social service organisations, to assist them in attracting and retaining staff. Providing suitable housing to these key workers is essential for a well-functioning community, and this represents a core objective for our trust.

Building the balance sheet

We're delighted to report another year of strong results with independent auditors Deloitte endorsing the Trust's strong financial position. QLCHT maintains a very healthy balance sheet position with net assets for the year 2024 up 44% to \$66m, from \$45.7m in 2023.

This balance sheet increase is largely due to contributions from land developers through the inclusionary housing process. This is a planning tool which captures value uplift through development - a social licence enabled through Council planning processes.



Top: Richard Thomas, Chair;
Below: Julie Scott, Chief Executive



The success of QLCHT has been built on the foundations of this process and we were deeply disappointed by the recent independent panel's recommendation that QLDC withdraws their plan change variation. However, we remain hopeful that it is not the end of the process, and Council will find another avenue to use this tool to ensure we have community housing for our residents into the future.

Alongside inclusionary housing contributions, we've benefitted significantly from grant funding and zero-interest financing through central government. It's impossible to overstate how critical this funding has been to the successful rollout of several QLCHT development projects over the last three years. With \$31m of interest-free loans under contract through the Ministry of Housing and Urban Development (HUD), we are extremely grateful for this support. Under the high interest rate environment of the last few years, we simply would not be able to deliver at our current pace and scale without these funds. With the new coalition government in place, we look forward to exploring new ways to ensure the momentum continues.

Housing our people

It was a pleasure to welcome 37 new households into QLCHT homes across the district in the 2024 financial year. They represent a range of demographics and were housed under all our programmes including Public Housing, Affordable Rentals, rent-to-buy and assisted ownership. Sadly our waiting list has

jumped by 30% and now sits at 1300 eligible households. This demonstrates the ongoing challenge faced by renters across the district.

One of our unique propositions is our ability to deliver programmes across the housing continuum. This allows us to help people transition into better housing positions, whilst we provide the wraparound services to support them on their journey.

Our commitment to pushing boundaries in the context of not only what affordable housing looks like, but how it is delivered in Aotearoa, sees QLCHT held up as an exemplar of housing solutions. It fills us with pride to see our assisted ownership model, Secure Home, rolled out in other areas of the country. And we offer our thanks to our banking partners who support this programme. We believe that the face of home ownership in New Zealand is changing, and progressive home ownership models will become much more commonplace throughout the motu.

Development projects

We continue to make good ground on QLCHT's largest project to date at **Tewa Banks, Arrowtown**. The first stage of construction is underway with our first households scheduled to move into their new homes in spring of this year. A total of 68 homes will be built here with 44 to be allocated under Secure Home and the balance into our various rental programmes.

Top: Steve, Joel, Trish & Cara at Longview; Centre: Hanley's Farm; Bottom: Tewa Banks site visit

2024 saw completion of 28 new homes in **Longview, Hāwea** on land received from the developer through the inclusionary housing process. The mixture of 1, 2, 3 and 4-bedroom homes were completed ahead of time and within budget, and allocated under a mixture of our Secure Home and rentals. The project was assisted with a \$2.3m interest-free loan along with a \$2.5m grant from central government. We expect to start construction on another 18 homes at Longview in early 2025.

We're currently building four new homes at **Hikuwai, Wānaka** which will bring our total properties in this subdivision to ten. We look forward to having new households move in here in early 2025, under a mix of housing programmes.

Construction is underway on two homes at **Mt Cardrona Station, Wānaka** and we're excited for the new Secure Home households who are moving in before Christmas. This is a special development in the heart of the Cardrona valley and we look forward to building another six homes here over the next few years.

We'll be taking on the management of a further 20 rental properties at **Hanley's Farm** at the end of 2024, and extend our thanks to the developer for providing us these excellent quality, affordable rental properties.

Under the hood

In April we welcomed Queenstown local and experienced finance professional Kate Skeggs onto the Board. Kate replaces long-serving Trustee, Jo Conroy, who retired after serving nine years as a Trustee. We owe our appreciation to the valuable contribution from Jo, who as an experienced director and property professional, was also Chair of QLCHT's finance and audit committee. Whilst we're sad to see Jo leave, we look forward to utilising Kate's strong background and capability in finance and her commercial acumen on the QLCHT board.

Our operational team continues to grow with the recent appointment of Arthur Lee into the newly created role of Sustainability and Development Officer. The role includes supporting the design management function of our housing projects, as well as driving sustainability initiatives both in the built environment and QLCHT's internal processes. Arthur has devoted his career to sustainable buildings since the completion of his studies in Wellington and Denmark. He's worked as an architectural designer over the past few years, delivering residential developments from concept to completion. His specialised areas include Passive House design, Homestar, whole of life carbon assessment, and prefabrication construction. We're committed to building better performing homes which will make them more affordable for our occupants to live in. Arthur will help us realise this goal whilst also helping us improve sustainability from a holistic organisational perspective.



Top: Kate Skeggs; Below: Julie with Clodagh Hall (NZSIR) and Jennifer Belmot (Wakatipu Community Foundation) at Tewa Banks.

9%

of respondents currently houseless

17%

of respondents houseless in last 12 months

20%

of those who are houseless have children

76%

report affordability as a barrier to their commitment to the district

Renters Survey

QLCHT undertakes a Renters Survey every three to four years. Its purpose is to understand the Queenstown Lakes District renters community, in terms of housing satisfaction, intentions of settling in the district, aspirations to buy a home and barriers faced. Our 2024 survey is the fifth of its kind since 2009.

Of significance over the past year was a housing crisis cited by many as causing increased houselessness and stress on renters. Consequently, it was agreed to include questions related to this topic. The term houseless, rather than homeless, is used to more accurately describe situations where people are in insecure housing arrangements.

Findings - In line with previous surveys, respondents were predominately female (71%), aged 30-39 years old (48%) and NZ European (40%). However, this year more Wānaka renters responded than in previous years (27%).

9% of respondents said they were currently houseless. Worryingly, 20% of those who are houseless have children and this is having a significant impact on their wellbeing. 17% of all

respondents stated they have experienced houselessness in the last 12 months.

The reasons given for past or current houselessness included the property being sold, converted to a short term rental or the landlord moving back in. Houseless respondents reported that the use of facilities for hygiene such as showers and laundries were a barrier in their day-to-day lives. Furthermore, getting adequate sleep was cited as a common problem, which impacted functioning at work.

Alongside this, diet was listed as a problem due to a lack of food storage and cooking facilities. Narrative assessment showed high levels of chronic and situational stress, aligning with 'poor/ extremely poor' quality of life scores.

Aligning with previous surveys, respondents were asked whether housing affordability is a barrier to their long term commitment to the district. **76% agreed that it was a barrier, which is an increase from 59% in 2020, and showed a trend towards 2012 data (86%).** The qualitative data suggests this aligns with the increased cost of living and inability to save for a deposit.

“The uncertainty about my future and retirement and old age is unsettling.”

“We are paying more than half of our weekly income for rent. Just easy to imagine how hard our life is.”

“Having to live with flat mates at my age is not good but because of separation I have been forced to live with others as I cannot afford a place on my own.”

Respondents also reported availability as a barrier to long term commitment (79%). Despite this, 66% aspire to purchase, with 40% saying they wish to purchase in the next one to three years.

Quality of life ratings indicate that the number of respondents who rate their quality of life as 'good' or 'extremely good' is 58%. The percentage who said 'average' was 32%.

However, thematic analysis suggests high levels of residual stress in the population, due to a lack of certainty regarding length of lease and rental costs. The very real struggle of those who are currently houseless is having a ripple effect on the wellbeing of renters through what is described as houselessness anxiety. That is a feeling of lack of control over lease renewals or rent increases, coupled with competition for available and affordable properties, that could then result in becoming houseless.

In line with Infometrics data, our research found that the median rent is between \$501 and \$600 per week.

“Given that we are both qualified professionals contributing to the community, it feels demeaning and discouraging that we aren’t able to afford or even find more suitable accommodation.”

“Shared housing and being stuck in rentals shows little promise for having a long term life here or starting a family.”

Given the general rule that housing costs should be no more than 28% of annual household income, those renting would need to earn more than \$111,000 per annum to afford the median rent in the district. Currently, only 30% of respondents can afford the median rent. This suggests that perceptions of affordability align with the reality of renting.

Our full 2024 Renters Survey can be found online at:

www.qlcht.org.nz/assets/Uploads/QLCHT-2024-Renters-Survey.pdf

“There is a constant looming sense of impending doom that once our rental runs out or is sold or priced out we will be lost and without being able to purchase there is absolutely no security to raise a family.”

“I’m a well-educated, hard worker who unfortunately doesn’t have capital backing from my family, which is why buying a house is so much harder and stressful, but it is the ultimate goal to get rid of the houselessness anxiety.”

66%
of respondents
aspire to purchase
their own home

32%
of respondents
rate quality of life
as average

30%
of respondents
can afford
median rent

Summary Consolidated Financial Statements

For the Year ended 31 March 2024

Summary Statement of Comprehensive Income and Expense For The Year Ended 31 March 2024

	Note	Group	
		This Year \$	Last Year \$
Income			
Revenue From Exchange Transactions		11,199,826	1,908,232
Revenue From Non-Exchange Transactions		20,212,430	11,847,553
Other Income		56,650	51,439
Total Income		<u>31,468,905</u>	<u>13,807,223</u>
Less Expenses			
Cost of Goods Sold		8,556,153	-
Administration Expenses		143,809	115,543
Operating Expenses		632,731	445,761
Finance Expenses		780,207	369,092
Other Expenses		1,067,246	937,504
Total Expenses		<u>11,180,145</u>	<u>1,867,899</u>
Imputation Credits Attached to Dividends Received		1,855	-
Surplus for the Year and Total Comprehensive Revenue and Expense		<u>20,286,906</u>	<u>11,939,323</u>

Summary Statement of Financial Position As at 31 March 2024

	Note	Group	
		This Year \$	Last Year \$
Equity		<u>66,020,282</u>	<u>45,733,376</u>
Represented by:			
Assets			
Non Current Assets		78,635,424	53,997,283
Current Assets		19,240,258	11,895,039
Total Assets		<u>97,875,682</u>	<u>65,892,323</u>
Less Liabilities			
Non Current Liabilities		30,526,694	18,046,595
Current Liabilities		1,328,707	2,112,351
Total Liabilities		<u>31,855,401</u>	<u>20,158,946</u>
Net Assets As Per Total Equity		<u>66,020,282</u>	<u>45,733,376</u>

Summary Statement of Changes in Equity For The Year Ended 31 March 2024

	Note	Group	
		This Year \$	Last Year \$
Equity As At Start Of Year		45,733,376	33,794,052
Comprehensive Revenue and Expense		20,286,906	11,939,325
Equity As At 31 March 2024		<u>66,020,282</u>	<u>45,733,376</u>

Summary Statement of Cash Flows As at 31 March 2024

	Note	Group	
		This Year \$	Last Year \$
Cashflows from Operating Activities		13,920,380	4,136,750
Cashflows from Investing Activities		(25,027,482)	(10,768,302)
Cashflows from Financing Activities		12,348,439	10,693
Net increase/(decrease) Cash and Cash Equivalents		<u>1,241,337</u>	<u>(6,620,859)</u>
Cash & Cash Equivalents at the Beginning of the Year		1,253,928	7,874,787
Cash & Cash Equivalents at the End of the Year		<u>2,495,265</u>	<u>1,253,928</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 2024. 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 2024 was unqualified.

The summary financial statements were authorised for issue by the Trustees on the 19th July 2024.

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 currently building 28 homes in the Longview subdivision in Lake Hāwea.

The total build cost is budgeted to cost \$14,710,844 (excluding land). As at 31 March 2024 \$12,690,504 had been spent (2023: \$1,858,477).

This project is being funded by construction financing through Westpac New Zealand, property sales and support from the New Zealand Government.

The Trust is currently building 68 homes at the Tewa Banks site in Arrowtown.

The total build cost is budgeted to cost \$53,629,118 (excluding land and finance). As at 31 March 2024 \$8,273,751.05 had been spent (2023: \$2,902,631).

This project is being funded by construction financing through ASB Bank, property sales and support from the New Zealand Government.

The project is due for completion in July 2026.

QLDC Contributions

On 01/07/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 5 titles at "Longview" Cemetery Road, Lake Hāwea, for the purposes of affordable housing. This has been recorded at fair value of \$1,830,000.

\$1,830,000

\$9,832,500

On 09/08/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 3.6831 hectares at Tewa Banks, for the purposes of affordable housing. This has been recorded at fair value of \$9,832,500.

On 17/10/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 14 titles at "Longview" Cemetery Road, Lake Hāwea, for the purposes of affordable housing. This has been recorded at fair value of \$5,850,000.

\$5,850,000

On 17/11/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 4 titles at 5 & 7 Walsh Street and 9 & 11 Moonstone Street, Hikuwai, for the purposes of affordable housing. This has been recorded at fair value of \$1,760,000.

\$1,760,000

On 20/02/2024 the Queenstown Lakes District Council (QLDC) granted QLCHT Lots 325 & 326 - 44 & 46 Lee Avenue, Mt Cardrona Station, for the purposes of affordable housing. This has been recorded at fair value of \$750,000.

\$750,000

\$20,022,500

During the year ended 31 March 2022 the Queenstown Lakes District Council (QLDC) granted QLCHT 3.6831 hectares of land at Tewa Banks 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. Following removal of encumbrances a valuation was obtained in the sum of \$9,832,500 and this has been recognised on 9 August 2023 as noted above.



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 and its subsidiaries (the 'Group'), which comprise the summary consolidated statement of financial position as at 31 March 2024, and the summary consolidated statement of comprehensive income and expenses, summary of 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 2024.

In our opinion, the accompanying summary consolidated financial statements, on pages 8 to 9 and the service performance reporting on page 11, are consistent, in all material respects, with the audited consolidated financial statements, in accordance with FRS-43: *Summary Financial Statements* 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 19 July 2024.

Board of Trustees' responsibilities for the summary consolidated financial statements

The Board of Trustees are responsible on behalf of the Group for the preparation of the summary consolidated financial statements in accordance with FRS-43: *Summary Financial Statements*.

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): *Engagements to Report on Summary Financial Statements*.

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.

Deloitte Limited

Dunedin, New Zealand
19 July 2024

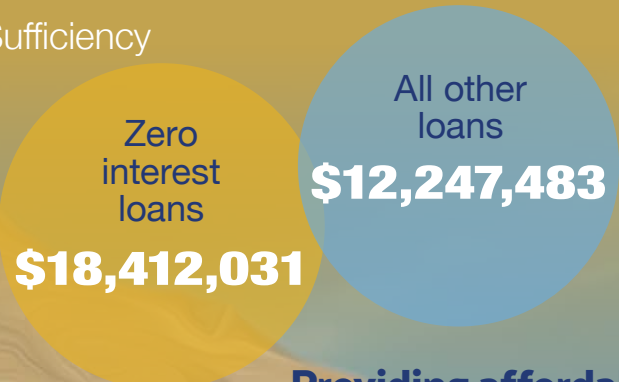
Directory

Date of Incorporation	12 July 2007	
Trustees	J M Conroy J E Macdonald P A J Smith	R J Key B G McLeay R B Thomas
Accountants	McCulloch & Partners, Queenstown	
Solicitors	RVG Law, Queenstown	
Bankers	ASB Bank SBS Bank Westpac New Zealand	
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	Central Lakes Trust Community Trust South New Zealand Sotheby's International Realty Queenstown Lakes District Council	

Statement of Service Performance

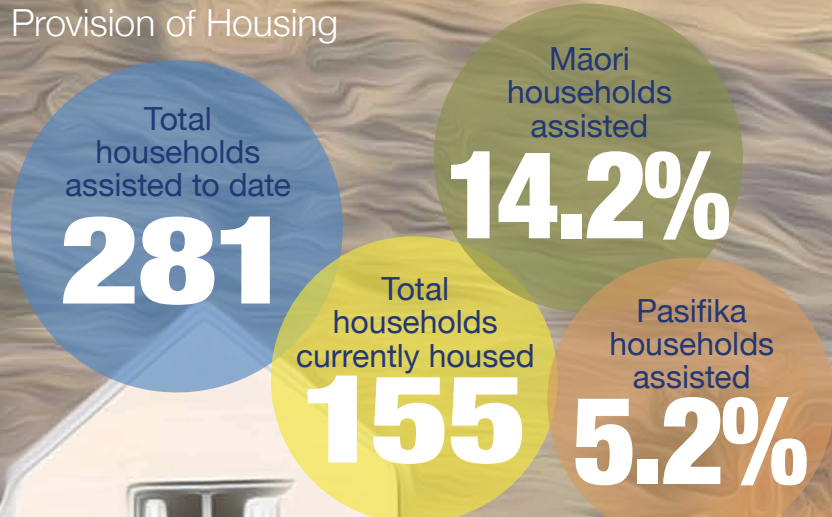
As at 31 March 2024

Self Sufficiency



Providing affordable, community housing solutions

Provision of Housing



Meet the Team



Corina Sommerville,
Housing Services Manager

Corina joined the team in 2015, following 15 years in the retail banking sector and HR. Her financial knowledge and people skills are put to good use in her current role.



Trish Daley, Development Design Manager

With a strong background in project management and master planning following six years at Queenstown Airport Corporation, Trish joined QLCHT in 2022.



Kiri Gillies, Tenancy Manager

Kiri joined the Housing Trust in 2021 having spent the previous eight years in operations within the airline industry and a further four years in Queenstown.



Emma Roberts, Tenancy Manager

Emma is the proud face for QLCHT in the Upper Clutha, becoming QLCHT's first Wānaka-based employee in 2023, after 13 years in the retail banking sector.



Arthur Lee, Sustainability & Development Officer

Our latest recruit, Arthur joined the team in 2024. As a qualified architectural designer with a passion for sustainable housing, he's well placed to drive better housing outcomes.



Glyn Lewers, QLDC Mayor

In this last year, Council's own work in supporting access to affordable housing options has continued with progress being made on various planning provisions. The proposed Urban Intensification variation seeks to give effect to central government's National Policy Statement on Urban Development, specifically in enabling heights and density of urban form to meet relative demand for housing. The proposed Variation also marks the implementation of Outcome 1 of the Queenstown Lakes Spatial Plan for consolidated growth and more housing choice.

Council is currently concluding a process which will see its nine older persons housing units in Wānaka and Arrowtown transferred to the Trust. This will enable tenants to access additional resources and for their homes to be managed by a specialist community housing provider.

Council also continues to monitor progress on developer stakeholder deeds that require affordable and community housing contributions from residential developments including sections or financial contributions to go to QLCHT.

A growing concern continues for many about the cost of living in the Queenstown Lakes District. Council's 2023 Quality of Life survey results reflected this in an increase of locals that either do not have a steady place to live or have a place to live today but are worrying about losing it in the future. There are tough times for many, while year on year sustained growth continues to put pressure on affordability and access to safe, secure and healthy options. No single organisation can solve this challenge, but the Trust is at the forefront of this work and is an inspiration in its commitment and innovation.

QLCHT continues to be a valuable support for so many in our community, especially during these tough times. It provides an increasingly essential service and should be very proud of the great work it does.

**“The ache for home lives in all of us,
the safe place where we can go as
we are and not be questioned.”**

Maya Angelou (1928 - 2014)



QUEENSTOWN LAKES
**Community
Housing Trust**

**ANNUAL
REPORT
2024**