

Chairperson's Report to AGM, November 2020

Tena koutou,

As preparation for writing this annual report I took a look through the environmental scan I wrote for last year's report and was immediately struck by how little has changed. On the one hand this makes the task of writing this year's report much simpler, but on the other hand it also underlines the frustrations that both trustees and staff have felt over the year as we try to extend our services and our provision of affordable rental homes for local people.

In summary, the main environmental factors that have influenced our activities this year have been:

- The Labour-led government's focus on increasing the supply of State housing for applicants who qualify for the Public Housing Register and on assisting better-off families into home-ownership. The only government financial assistance for growing the supply of community housing is still targeted on these groups of applicants which has severely limited our efforts to provide affordable rental housing for local people whose circumstances don't fit these criteria. Unfortunately, many people living in our region, like in many provincial areas, fall into this group.
- The saga of the Nelson City Council pensioner stock divestment has been a significant drain on resources and morale since May 2018. We submitted our proposal to acquire the stock in October 2019 and continued to negotiate with officers until the first COVID-19 lockdown. Earlier this month we finally received written notice that the contract for the management of the Council's pensioner houses will terminate in early February 2021 when the divestment to Kainga Ora will take place. The uncertainties created by this process have meant that the Trust has not invested in new affordable housing provision since 2017.
- The price and availability of land have become significant factors in our efforts to provide more rental housing. Both local Councils' moves to reduce the barriers to increasing housing density are welcomed, but higher density does not necessarily make housing more affordable. We now face increasing competition for land from developers offering house and land packages and producing medium and higher density schemes on the traditional quarter acre blocks. We welcome the increased supply of housing but recognise that this will be insufficient to improve housing affordability whilst there is such an overwhelming disparity between supply and demand and whilst housing continues to have more investment value than utility value.

In response to this environment, we will need to look more closely at the options we have for increasing affordable housing supply; one may be diversifying into progressive home-ownership, the other may be changing our procurement model and working more closely with developers in the early stages of land being opened up for residential development.

Given the current environment it is remarkable what the Trust has achieved this year:

For us a real game-changer has been the development of a relationship with a philanthropic trust that has enabled us to purchase a section in Murphy Street and submit a proposal to the Ministry of Housing and Urban Development for funding to build a six dwelling rental housing scheme. Our proposal has been accepted and we plan to start on site in early 2021 with completion by spring next year. We have also acquired a section in Tahunanui which we are currently land-banking until we have secured the finance for a five dwelling scheme which we plan to instigate next year. After three frustrating years these acquisitions have significantly boosted morale in the Trust. We are now in

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discussion with several developers to create a pipeline of community and affordable housing over the next five years for local people on low incomes.

We welcome the Mayor's commitment to invest all the proceeds of the Council's pensioner housing divestment into a Housing Reserve Fund and the opportunities this will provide to leverage Crown and philanthropic investment for future schemes.

Our management of both the City Council's pensioner housing and our own housing has received justified praise from both tenants and the Council. In the three years of the Council contract we have turned around the service, making it more tenant-focussed, as well as carrying out significant improvements to it. The excellence of these services is down to the dedication and diligence of our staff, for which the Board is extremely grateful. Housing management is where the buck stops, and we are constantly reminded that our tenants and their homes are why we are in business. This year's key performance indicators have again been exceeded and continue to put the Trust in a strong position and to enhance our reputation.

This year we developed our 2020/23 Strategic Plan focussed on growth and refreshing our organisation and operational activities. We have made a great start and are well on our way to achieving our goal of growing our stock to 70 homes by the end of this plan, and ensuring that our policy framework and risk management are robust and effective. We have again ended the financial year in a strong position with a healthy surplus to invest in future retained housing provision and we continue to enjoy and benefit from an excellent relationship with and support from the ASB bank.

The strength of our position could not have been achieved without the commitment and considerable effort of both staff and trustees. As we have grown, we have established subcommittees to oversee and manage key areas of our operations such as finance, policy review and new business and development. Members of these subcommittees have contributed huge amounts of time and expertise to these aspects of our work and have meant that board meetings are efficient and strategically focussed. Trustees have contributed to this year's achievements and have been willing to raise their hand when their expertise is needed; our Sirector and staff have shown dedication and professionalism in what has been a successful year but also one filled with uncertainties.

Finally, this year we will say goodbye to Doug McLearnie, our Deputy Chair, who has decided to retire from the Trust after twelve years of service. Doug has been involved in all the key initiatives since joining the Trust and is one of the cohort of retirees who have had the flexibility and time to devote hundreds of hours to the Trust.

I am also stepping down from the Trust in order to find out what retirement is really like while I still have the capability to do so. It has been a privilege to be involved with NTHT from the first days when we decided that a local community trust would be the best solution to the region's housing crisis. Nelson/Tasman still has a housing crisis but it would be a lot worse without the Trust.

I thank everyone for sticking the course and for their considerable contribution.

Keith Preston

Chair NTHT, November 2020