

## Message from the NTHT Chair 2018

Looking back on the last year, it is hard to predict where we will be this time next year. Working in the community housing sector has always been an unpredictable pastime but this last year has been particularly challenging. The change of government led many of us to anticipate major changes for the sector, but in many ways, it has been business as usual and if anything the sector has been largely overlooked with the focus on Kiwi Build and significant investment in Housing New Zealand. The sector's role has been largely one of complementing HNZ's role, focused on tenants with the highest and most complex needs, on homelessness and on transitional housing. These are all critical problems that need to be resolved, but it is questionable whether it is community housing's core business to be providing a social service rather than increasing the supply of social and affordable housing for local people.

The Trust took a strategic decision not to be a lead agent for the Housing First or transitional housing programmes that the government has been promoting. We want to focus our resources on increasing the supply of quality affordable homes for rent. The long-anticipated move back to capital grants for community housing projects and the development of a funding pipeline to provide some certainty and better value for money has not yet materialised.

We welcome the extension of IRRS Plus into regions like ours, which will greatly improve the feasibility of new schemes by increasing the rental stream for those houses. We also welcome the improved certainty provided by the Public Housing Plan and MSD's local purchasing intentions. Our concern is that these initiatives increase the supply of social housing but do nothing to increase the availability of affordable rental housing. This absence of any attention to the rental housing needs of low-income Kiwis has hit places like Nelson hard and will be a drag on the local economy. We understand that the Minister has recognised this 'gap' in the housing spectrum and have heard that his officials are working on it. It remains to be seen whether this initiative will survive as a priority in the budget process and whether a fund will be sufficient to cope with the years of pent up demand.

These factors have meant that for the first time in many years we have not had a scheme under development during the year nor a development pipeline. In spite of this, we have had a very busy year. We took a strategic decision in 2017 to diversify into managing other landlords' property until the development prospects improved and we were successful in winning the contract to manage Nelson City Council's 142 pensioner flats. We have refocussed the operation onto improving the welfare and service to the tenants and have been rewarded with an excellent satisfaction rating from tenants and very positive feedback from the Council. We have also invested a lot of time and attention onto maintaining and improving the Council stock and undertook a stock condition assessment on behalf of the Council to better inform the Council and ourselves about capital investment decisions.

A direct consequence of winning the Council management contract has been a doubling of our staff complement, a move to larger offices and the acquisition of two company cars. We are now a totally different organisation to the NTHT of early 2017 and thanks go to Carrie our Director for the superb work she has done in recruiting an excellent team and bringing them up to speed to produce such great results. We are now in a strong position to capitalise on new opportunities in 2018/19 and grow the stock of affordable rental homes for Nelsonians.

With hindsight our decision not to diversify into a focus on homelessness was very much the right one as this has enabled us to focus on the possibility of acquiring the Council's pensioner housing. In May we were advised that there was interest in the Council in divesting its pensioner housing and that discussions had commenced with Housing New Zealand to purchase the stock. We subsequently submitted our Expression of Interest as we know we have the demonstrated capacity and capability

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to acquire the pensioner flats. It is our intention over the coming years to increase the number flats and provide more modern homes for pensioners and local people. We believe it will be in everyone's best interests if a local community housing provider, focused on Nelson and with an excellent track record of managing the tenancies, acquires the flats. We are currently undertaking due diligence and anticipate that the coming year will be even more exciting than this one has been.

We have continued our support for the very successful Warmer Healthier Homes initiative and welcomed a new WHH Chairperson, Leeson Baldey, onto the programme. We continue to participate in the Emergency Housing Group and will support other local groups who are working on the introduction of Housing First into the region.

This year has also been a year of consolidation. During the year we have undertaken a review of our policies and procedures, led by Paul Russell and Doug McLearie, two of our Trustees. I would personally like to thank them for the diligence with which they have led this project to make these documents more user-friendly and appropriate. We have continued to strengthen our balance sheet and have a strong revenue stream, both of which puts us in a very good position for when development opportunities arise and funding comes on stream from the government. We have a very cohesive and experienced staff team who have thrown themselves into the new projects with enthusiasm and professionalism and they have produced great results for the Trust. We have continued to enjoy the support of the Rata Foundation, Nelson City Council and our other partners and we are extremely grateful for their recognition and their contribution to the work we do.

As the Trust has matured, our Board has grown into a strong team that is more focused on its forward- looking strategic role and that embraces robust discussion but also manages to find consensus. We have restructured our Board Meetings to encourage this move and to step back from the day-to-day business of the Trust. Delegation to sub-committees tasked with specific projects has also freed up our time for more in-depth discussion and our meetings have actually got shorter. This year we welcomed Susan Coleman onto the Board and she has brought valuable insights into local government and experience in running a national NGO. Our Treasurer, Chris Armstrong, will retire from the Board at this AGM; I want to extend the Board's thanks and appreciation for the oversight he has given to our finances and for the support he has given Phill, our Finance Manager. Only last week we were told by the Community Housing Regulatory Authority that they 'love our financial reporting, it is a real exemplar.'

All the best for next year.

Keith Preston

Chairperson