

Annual reports for the Annual General Meeting, November 2022



Chairperson's report

Overview

The past 12 months have seen wonderful progress made toward achieving a key strategic objective of providing additional new affordable rental housing supply for our community in need. This will help address a shortage of suitable and affordable housing of unprecedented scale. The trust's 2021 housing need survey identified 425 households in dire housing need in Nelson/Tasman. This was in addition to nearly 450 applicants on the government's public housing register in the region. Since then, the situation has only got worse, particularly as a result of Covid-19 pandemic disruption, increases in costs of housing, and a general rise in living expenses.

Current and planned housing developments

During the last year, the trust obtained funding and commenced construction of five housing units at Muritai St, Tahunanui. These are due for completion in March 2023. It is also well down the track towards locking in funding to build 16 further homes on sites at Totara St, Nelson South and Dodson Valley Rd, Atawhai. When all of these are completed, the trust will own and manage 70 homes and will be progressing well towards its goal of providing 100 modern, warm and dry homes by 2026 and making these available for affordable rental by tenants who most need them. It has been a real challenge to find large enough sites in suitable locations at a time of increasing land prices and considerable competition from private housing developers. Credit is due to the trust's staff and its Development Committee for making headway here.

Funding support

The trust has been greatly appreciative of the funding support that has enabled this growth to happen. It now has two major philanthropic supporters, who wish to remain anonymous, whose good deeds are of enormous benefit. The Fundraising Committee has actively implemented a newly developed fundraising plan and has been successful in obtaining further sources. Contributions from Nelson Pine Industries and the Rātā Foundation (pending) have been welcomed.

The Trust also thanks Nelson City Council for the financial assistance from their Housing Reserve Fund, which has provided sizeable grants for the Muritai and Dodson Valley developments, so that tenancies can be made available at subsidised, below-market rentals. The council also sold its Totara St site to the trust at a price that helped enable financially viable public housing.

Government funding assistance has also been needed to help meet the growing gap between the cost of supply of new housing and the limited ability of people on low incomes to pay rentals that sustain this. Ministry of Housing and Urban Development (HUD) funding has been pledged for the Totara St development so that the public housing tenants in this complex pay rentals that are no more than 25% of their (low) incomes. During the year, HUD launched its Affordable Housing Fund and called for applications for an initial tranche of \$50 million. Despite this being focussed only on the higher-need regions (including Nelson), there were 60 submissions! The trust has been fortunate to be one of just four organisations with submissions short-listed by the Minister of Housing to proceed as applications. The trust's application is intended to be

used to support the Dodson Valley Rd affordable housing rental project and will enable discounted rent for tenants in need.

Other achievements

There has been ongoing effort put into making progress on other strategic objectives, including supply of more housing in Tasman district as well as initiatives to improve public awareness of the trust's activities and ventures to develop long-term working partnerships. We look forward to reporting successful outcomes in subsequent AGM reports.

The trust's finance, development, fundraising, health & safety, and risk management committees have all made important contributions to the direction taken. Thanks are due to the trustees, staff members and co-opted members who have contributed to these committees.

Acknowledgements

I would like to pay tribute to fellow trustees Rātapu Hippolite (3 years' service) and Nick Laing (5 years' service), who have stepped down this year after making valuable contributions. Ra has stood in capably as deputy chair on several occasions this year.

I would also like to acknowledge and thank Carrie Mozena for her support, hard work and all-round competence as the Director of the trust. The successes achieved over the past year are in large part due to Carrie's (and her team's) input. All staff are owed recognition for the sterling way they have kept the organisation running well during the months of disruption due to the Covid 19 pandemic.

I have appreciated the contributions and support from all trustees. It has been great working with a well-balanced and mutually supportive team.

Andrew Wilson
Chairperson

November 2022

Director's report

Introduction

This year has been a very productive and exciting one for Nelson Tasman Housing Trust (NTHT). We have many successes to celebrate, including significant progress in funding, building and tenancing more homes for people in need. With an ambitious strategic plan and strong philanthropic support, we have generated great forward momentum which will continue for many years.

Key highlights

Philanthropic donations

We have secured commitments from two private philanthropic donors to grant NTHT a total of \$6.5 million over 5 years to purchase sites and help us build new social and affordable rental homes. These donors' caring generosity is a powerful catalyst for the trust's growth. Having responsive, upfront funding resources NTHT to secure new sites in a very competitive property market. Both donors request anonymity, with the benefits of their contributions evident in the many projects we now have underway.

Current and planned housing developments

1. 17 Murphy St, Toi Toi - 6 homes

NTHT completed this public housing development in December 2021. The tenants were able to move in after Christmas. All residents were from MSD's Housing Register, moving from either very inadequate, cold, damp accommodation, or very expensive private rentals. Two units are wheelchair-accessible, and all these homes have photovoltaic panels to reduce the cost of power.

2. 99 Muritai St, Tahunanui – 5 homes

Construction commenced in February 2022 on this development of 5 affordable rentals. Initial funding came from Nelson City Council's Housing Reserve, and its grant of \$850,000 then leveraged a similar grant from a philanthropic donor. The Muritai development is due to be completed in March 2023.

3. 76 Dodson Valley Rd, Atawhai – 10 homes

Purchase of this large property in Atawhai was funded by a philanthropic donor in December 2021. During 2022, NTHT demolished the derelict dwelling and planned for removal of old glasshouses and remediation of contamination due to pesticides. The 2500m² site is suitable for up to 10 homes. NTHT applied for further funding for this planned development from Round 1 of the government's new Affordable Housing Fund. Once funding is confirmed, we aim to begin building in mid-2023.

4. 6 & 8 Totara St, Toi Toi – 6 homes

NTHT purchased these adjoining properties from the Nelson City Council after a successful Request For Proposal process. Council's requirements were to deliver "intensified housing that showcases good urban design." We engaged architects Jerram Tocker Barron to design the development and secured an agreement for Ministry of Housing and Urban Development subsidies to build six homes as public housing. Construction will commence in 2023, for completion by the end of 2024.

Our tenants

NTHT maintains a degree of flexibility to take on tenants with different levels of income and housing need. We aim to continue to provide housing options that include affordable rentals as well as public (social) housing. This year we had 30 public housing tenants (who pay rent at just 25% of their income, with the government providing NTHT a subsidy up to market rent), and 20 tenants on affordable rents (set at 70-80% of market rent, with the government paying the tenant an accommodation supplement).

Our tenant demographics are very diverse: 50% Pākehā/NZ European, 25% Māori/Pacifica and 25% new migrants/former refugees. About 50% are working and 50% rely solely on benefits or NZ Super. Three-quarters of our tenants are families with children. We currently provide homes for 125 people.

Annual tenant survey results

NTHT tenants continue to express high satisfaction with our services. For 2022, overall satisfaction rated at 3.68 (out of 4). What our tenants say they most value is the affordability of their rent, and that their homes are warm, dry, healthy and tenure-secure. Some comments in their own words:

- “This NTHT home has made massive health improvements for us – our previous rental was damp and mouldy.”
- “The security of tenure makes such a big difference and reduces my anxiety.”
- “I find your whole team are there to help wherever they can.”

Housing advice

Our staff provided housing advice for 157 people this year, helping them learn how to be assessed for the government’s Housing Register, gain access to emergency housing, apply for NTHT homes, or find alternatives to private rentals. The supply of truly affordable housing in this region continues to be extremely tight. We help people to think through different practical short- and medium-term options.

Monitoring housing need project

This project aims to deliver more comprehensive data than what the Ministry of Social Development reports in the Public Housing Register. NTHT surveys community support agencies, motor camps, local councils and all affordable housing providers in Nelson and Richmond. Our reports since 2018 show a steady increase in affordable housing need: at 30 June 2022, we counted 528 households in the Nelson region needing affordable housing – this is in addition to the 435 households on MSD’s Housing Register at the end of June 2022. We will use this data to inform further government investment in social and affordable rentals.

Our partners

We are very grateful for the productive, long-term working relationships the trust has built with several partners, who contribute significantly to our endeavours: Leeson Baldey and the commercial banking team at ASB; Hugh Askin and Jennian Homes Nelson Bays Ltd, Simon Hall at Jerram Tocker Barron Architects, Murray Sturgeon at Nelson Pine Industries Ltd, and Victoria Hall at Hall Law.

Our people – staff and trustees

Our caring and skilled staff team does the day-to-day work of the trust and continues to evolve. We farewelled Tenancy Manager Kelly Dean, who after 3 years with NTHT (and over 15 years in property management) moved on to a new role in agriculture. We welcomed Tanya Rich in as Tenancy Manager, bringing her strong background in social work and property management. We refocused Karen Clark’s role on her speciality in communications. Our Building and Development Manager Jon Stevenson has been very busy refining our asset management planning, progressing plans for several new developments and continuing to hunt for new sites. Phill Lee continues to provide skilled financial management and he completed his Chartered Accountancy this year. Our multi-faceted team works daily to serve our tenants, who rely on and appreciate having stable, affordable, healthy homes.

Finally, I extend warm thanks to our skilled board chair Andrew Wilson, and all of the board members, for their energy, commitment and expertise in advising and governing the trust.

Carrie Mozena
NTHT Director

Treasurer's report

Highlights

- Another successful year with an operating surplus of around \$5.369 million, compared with \$4.937 million in the prior year. Notable movements:
 - Grant and funding revenue increased by \$945,000 in 2022, mostly due to the receipt of \$400,000 from the Nelson City Council Housing Reserve and an additional \$515,000 from our philanthropic donor.
 - Operation costs decreased during 2022, largely due to the absence of the Warmer Healthier Homes grant costs (\$68,700 in 2021. These are now recorded in a separate trust entity.
 - Housing occupancy has been maintained at around 99%, and tenancy turnover has reduced from 15.9% to 11.1% in the past year.
- Cash balances are healthy but have reduced substantially from the 2021 year as we have purchased land and spent money developing new properties.
- Summary of 2022 and 2021 results shown below, before and after revaluation gains (accounting entry).

	Net Profit	Revaluation Gain	Profit
			pre revaluation
2022	5,369,013	3,544,623	1,824,390
2021	4,937,903	4,035,000	902,903
Increase/(decrease)	431,110	(490,377)	921,487

Challenges

There continues to be challenges in finding suitable land to purchase, although we have had some success on this front in the past year.

Looking forward

- Development of housing at Muritai St continues and is expected to be completed around March 2023.
- Further opportunity for more housing to be built with the land purchased at 76 Dodson Valley Rd (using additional funding received from our donor and a Nelson City Council grant)

Acknowledgements

Thank you to our Finance Manager, Phill Lee, for returning to us and managing the increased workload associated with new builds and land purchases.

Catherine McLellan
Treasurer