

Annual reports for the Annual General Meeting, November 2023



Chairperson's report

Over the past year it has been pleasing to see continued good progress made toward achieving the key strategic objective of providing additional, much-needed new affordable rental housing supply for our community. Development sites have been purchased in Nelson South (163 Kawai St South) and in Richmond (92 Bateup Road), providing the means for the trust to grow its supply to 90 housing units and to provide more of this in Tasman district. The aspirational goal of 100 units by the end of 2026 looks achievable.

Strategic goals

The board reviewed its strategic plan in April and set some exciting and challenging new objectives. The focus on growth in supply has been extended further, with a new target of supply of 120 homes by the end of 2028. The plan also includes goals to assist other local community and iwi organisations to provide housing by offering the use of in-house resources to provide management services for these. Of particular importance are objectives to partner with iwi and hapū to enable them to meet their housing needs and help them take advantage of government funding support available through the Whai Kāinga Whai Oranga programme.

Achievement of these strategic goals will enable efficient critical mass for organisation, foster even closer community and iwi connections, and make tangible progress towards meeting unprecedented demand for affordable and suitable housing. The trust's 2022/2023 survey of Nelson/Tasman affordable housing needs revealed that the number of households seeking help had grown further from 528 to 696 (a 32% increase) during the course of the year. These numbers are in addition to the 423 households on the register for the relatively few public housing tenancies available annually. These grim statistics reflect the fact that households have been squeezed by household cost inflation in the vicinity of 7% and new mortgage interest rates in excess of 7.5%.

Progress has already been made on provision of management services and iwi partnerships, with a management agreement entered into for new housing on Te Āwhina Marae, Motueka and with progressing discussions for housing development on leased land owned by Wakatū Incorporation in Motueka.

Government and local government policies and funding

At the time of writing this report, government elections have been held, but a new National-led coalition has yet to be finalised. Current National party policy is to move away from funding affordable rental housing and to instead provide more opportunities for Community Housing Providers (such as the trust) to supply additional public housing. If this policy is implemented, the trust will seek reconsideration of funding support for much-needed affordable rental housing, while being appreciative of any additional public housing supply opportunities.

The Trust has been greatly appreciative of Government, council and philanthropic funding support that has enabled new housing development projects to proceed at a time of relatively high loan interest rates, high market prices for limited supply of developable land, and steadily rising costs of construction. The Nelson City Council has established a Housing Acceleration Taskforce chaired by Councillor Rachel Sanson. The trust welcomes the taskforce's decision that the council's Housing Reserve Fund should be expended as soon as practicable on capital grants for projects that ameliorate the current affordable housing crisis. Nelson Tasman Housing Trust has been extremely grateful for the Housing Reserve Fund grants that have complemented Government and philanthropic funding and enabled the affordable housing developments at Muritai St, Dodson Valley Rd and Kawai St South.

Central government funding has also been critical to success to date. The trust was pleased to be one of just four organisations which succeeded in obtaining a grant in the first tranche available from the Government's new \$350m Affordable Housing Fund. This provided a \$3.5m contribution towards development of 10 housing units on a site at Dodson Valley Rd, Atawhai. The trust has also been short-listed for a further grant for affordable rental housing construction on the Kawai St South site.

Other funding support

Ongoing funding from two major philanthropic supporters has been especially helpful in enabling land banking. These donors wish to remain anonymous, and this report publicly acknowledges the great benefits from their good deeds. The trust also thanks Rātā Foundation and Nelson Pine Industries for their valued ongoing financial support. Our fundraising committee, chaired by Peter Barr, has worked to raise the public profile of the trust as a precursor for attracting future philanthropic support. A new fundraising strategy developed by trustee Judene Edgar is planned to be implemented in 2024.

Acknowledgements

The trust's finance, building and development; risk health & safety; and human resources committees have also made important valuable contributions to a successful year. The input from trustee John Harris to create tikanga has also been greatly appreciated. Thanks are conveyed to the trustees, staff members and co-opted members who have contributed to these committees.

I would also like to acknowledge and thank Carrie Mozena for her continued dedication, hard work and effectiveness as the Director of the trust. The successes achieved over the past year (and preceding years) are in large part due to Carrie's (and her team's) input. The contributions of Jon Stevenson, Tanya Rich, Phill Lee and Karen Clark have been appreciated.

I would also like to thank my fellow trustees for their wisdom, commitment and balanced perspective. I am looking forward to working together with you to guide another successful year ahead.

Andrew Wilson
Chairperson

November 2023

Director's report

Overview

This has been another exciting and productive year for Nelson Tasman Housing Trust (NTHT). We have achieved significant progress in funding, building and tenancing more homes for people in need. With an ambitious strategic plan – 120 homes by 2028 – generous philanthropic support and strong working partnerships, we have great forward momentum for many years to come.

Highlights

Grants and donations to build housing

We are grateful to have secured commitments from three private philanthropic donors to grant NTHT a total of \$6.6 million over 5 years (2021-26). This helps us purchase sites up front, and then leverage government funding to build new social/affordable rental homes. In 2022-23, we also secured agreements with Nelson City Council's Housing Reserve and the Rātā Foundation for a total of \$2.65m in grants for our Dodson and Kawai St South schemes.

Current and planned housing developments

- 99 Muritai St, Tāhunanui – 5 homes: NTHT completed this affordable housing development in April 2023, including one 4-bedroom and four 2-bedroom homes. The new tenants came from inadequate, unsafe, cold, damp accommodation, or very expensive private rentals. Two units are wheelchair accessible, and all the homes have photovoltaic panels to reduce the cost of power.
- 6 & 8 Totara St, Toi Toi – 6 homes: This site next to Victory School has been cleared and resource consent approved. Our builder Jennian will commence construction as soon as we gain building consent. This is a public housing scheme with two 2-bedroom, two 3-bedroom and one 4-bedroom (with a wheelchair accessible bedroom on the ground floor). Completion is projected for mid-2024.
- 76 Dodson Valley Rd, Atawhai – 10 homes: Complex work was required to remove old glasshouses and remediate contamination due to pesticides and asbestos. We secured a capital grant of \$3.495m from round 1 of the government's Affordable Housing Fund, in addition to grants from Nelson City Council, the Rātā Foundation and our major philanthropic donor. The scheme will include a mix of 2, 3 and 4-bedroom two-storey homes, targeted for workers on low-to-modest incomes. We aim to begin building in early 2024 for completion by early 2025.
- 163 Kawai St South – 8 homes: We purchased this site in April 2023, thanks to a grant from Nelson City Council's Housing Reserve. The plan is to build eight 2-bedroom homes, with four that are wheelchair accessible. The target population is workers on low-to-modest incomes, provided we are successful with HUD's Affordable Housing Fund Round Two. Resource Consent has been lodged.
- Future development planned in Tasman: NTHT negotiated purchase of a site in Richmond for 12 homes and has entered into discussions with Wakatū Incorporation to lease land in Motueka to build 10-14 homes. As the housing need grows across our region, we aim to expand beyond Nelson.

New management contract with Te Āwhina Marae

We are humbled to have been asked to manage the marae's tenancies at their new 20-home papakāinga in Motueka. The trust's work to serve Māori whānau well and be a good Tiriti partner is being recognised. The papakāinga is a mix of 2, 3 and 4-bedroom whare, connected to the marae's long-term redevelopment, and provides much-needed affordable rental and public housing for qualifying whānau. NTHT is engaged for the first year of the papakāinga's operation, until the marae becomes registered as a Community Housing Provider.

Increased publicity and media coverage

One of our strategic goals has been to raise NTHT's public profile to support further fundraising. New efforts this year have included posts on Linked In, media releases to highlight NTHT progress, and the Director being a "go to" for media comment about housing issues. As a result, NTHT has achieved positive coverage in at least eight pieces on Stuff, the Nelson and Waimea Weekly, Radio NZ and TVNZ. As Director I also met with MPs, both Mayors, local councillors and delivered presentations on NTHT to community groups and two Rotary chapters.

Our tenants

As vacancies occur in NTHT homes, we maintain flexibility to accept tenants in housing need with different levels of income. We aim to continue to provide housing options that include affordable rentals as well as public (social) housing. This year we had 34 public housing tenants (who pay rent at just 25% of their income, with the government providing NTHT a subsidy up to market rent), and 21 tenants on affordable rents (set at 70-80% of market rent, with the government paying the tenant an Accommodation Supplement).

NTHT residents come from many different cultural backgrounds: currently 55% are Pākehā/NZ European, 25% are Māori/Pasifika and 20% are new migrants/former refugees. About half are working and half rely solely on benefits or NZ Super. Three-quarters of our tenants are families with children. This year we are providing homes for 135 people, and this is set to grow.

NTHT tenants continue to express high satisfaction with our services in our annual tenant survey. For 2023, the overall satisfaction rate was 3.76 (out of 4). What our tenants say they most value is that their rents are affordable, the tenancies are long-term, and their homes are warm and healthy.

Housing advice

Our staff provided housing advice for 165 people this year, helping them to find out about assessment for the government's Housing Register, gain access to emergency housing, apply for NTHT homes, or consider other alternatives to private rentals. The supply of truly affordable housing in this region continues to be extremely tight. We encourage people to be persistent and we help them think through different practical short- and medium-term options.

Monitoring housing need

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 2023, we counted 696 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 2023. We have used this data to inform further government and council investment in social and affordable rentals.

Our partners

We are very grateful for the valuable working relationships the trust has 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 of Hall Law.

Our people

Our caring and skilled staff team does the day-to-day work of the trust and is going from strength to strength. Tanya Rich our Tenancy Manager draws on her background in social work and property

management. Our Building and Development Manager Jon Stevenson is progressing plans for several new developments while continuing to hunt for new sites. Karen Clark focuses on her speciality of Communications. Phill Lee continues to provide skilled Financial Management and accountancy. Our multi-faceted team works daily to serve our residents who rely on and appreciate having stable, affordable, healthy homes.

Finally, I extend warm thanks to our skilled Chair Andrew Wilson and all NTHT trustees for their energy, commitment and expertise in advising and governing the Nelson Tasman Housing Trust.

Carrie Mozena
NTHT Director

November 2023

Treasurer's report

Highlights

- The trust's Audited Financial Report shows an operating surplus of around \$3.879 million, compared with \$5.369 million in the prior year. Notable movements:
 - Grant and funding revenue increased by \$1.502 million in 2023, mostly due to the receipt of \$1.65 million (increase of \$1.25 million on 2022) from the NCC Housing Reserve and an additional \$273k from our philanthropic donor.
 - Operation costs from providing trust activities increased during 2023 with notable increases in insurance, rates and valuation costs (roughly an increase of \$50k in just these areas).
 - Total rental income has increased 24% on last year.
- Cash balances have reduced again this year and as at 30 June 2023 we were in overdraft by \$85k. This is all within the budget and overall strategic plan for the trust, as we continue to purchase land and build more housing.
- Total trust equity is now recorded as \$22.488 million, an increase of 21% on 2022, made up of increased retained profits and property valuations.
- Summary of 2023 and 2022 results shown below, before and after revaluation gains (accounting entry)

	Net Profit	Revaluation Gain	Profit
			pre revaluation
2023	3,879,491	501,298	3,378,193
2022	5,369,013	3,544,623	1,824,390
Increase/(decrease)	(1,489,522)	(3,043,325)	1,553,803

Challenges

We have managed to successfully purchase suitable land over the past year, but this will continue to be a challenge for coming years as we strive to achieve our new home target under the strategic plan.

Looking forward

- Development of housing at 116 Waimea Rd/163 Kawai St with plans to build 8 two-bedroom houses.
- We also have secured sites at 6/8 Totara St (for 6 homes) and have plans to build 10 homes at 76 Dodson Valley Rd, using the additional funding received from our donor and the NCC grant.

Thank you to our Finance Manager, Phill, for another great year and always looking at ways to improve board reporting and keeping our financing data and budgets up to date.

Catherine McLellan
Treasurer