

CORT Community Housing

[COMMUNITY OF REFUGE TRUST]



Annual Report

—
2020



“CORT has been fantastic, so kind and understanding — I can’t thank them enough.”

Luanne’s story

Luanne moved into CORT’s Sutton Crescent development in Papatoetoe in mid-March 2020:

“I had been living with a friend who had seen me through cancer treatment a few years ago, but the relationship had become toxic and I needed to move out. I was suffering from depression, stress and anxiety and the house I was living in wasn’t insulated, so I was also getting lots of chest infections.

I started going to counselling, which got me on the right path. When I got the call from CORT to offer me this apartment, I was ecstatic. My confidence started going up and I feel I am starting to find myself again.

The apartment is so warm and sunny, which will help with my chest. It’s great to have a place of my own which I can have just how I want it. There’s a great group of people living here, of a range of ages and ethnicities. It’s close to transport, the supermarket and chemist and everything else I need, and I’m only 15 minutes away from my family.

Cover image Tenant Kylie and CORT Tenancy Manager Jade Thorne [left].

Contents

Who are we? Introduction to CORT	01
Strategic Plan 2020-2023	02
Chairperson’s review	03
CEO’s review	06
Staff profile	11
Treasurer’s report & Trust directory	14
Financial statements	15

Who are we?

CORT Community Housing (Community of Refuge Trust) is a registered community housing provider which offers homes for people on very low incomes in Auckland. We are a non-government, not-for-profit community organisation and a registered charitable trust. Any operating surplus created by the trust is used to expand and improve the work we do.

The Trust was founded in 1987 by Auckland’s Ponsonby Baptist Church in response to the housing needs of low-income and vulnerable people in its local area. It operates independently of the church and is governed by a board of trustees. CORT’s focus has traditionally been on providing homes for people who use mental health services. This has now expanded to include other people in need, including the elderly and small families.

CORT employs eleven staff and provides rental accommodation for over 380 tenants and their whanau. We own or manage over 370 properties across Auckland.

To find out more about CORT and our history visit: www.cort.org.nz

CORT's strategic plan 2020 - 2023



Chairperson's Review

He waka eke noa We are all in this together

This whakataukī has become a familiar phrase in Aotearoa in recent times. In the first half of 2020 we have indeed found ourselves all in this together, uniting as a nation to combat the threat of Covid-19 and navigate the uncertain waters of economic and social recovery in its wake.

I am pleased to say that the team at CORT has met this challenge head on. While managing the disruption to our own personal and professional lives, we have continued to work with a focus on our tenants, to make sure their needs have been met over this difficult time. The successful navigation of the lockdown period was a testament to the strength of the relationships our team have built — relationships which run both ways. I would like to acknowledge the tenants who called some of our staff to ask how *they* were coping. That's quite a unique situation for a landlord or property manager to be in, and speaks to the significance of CORT's role as a community housing provider, rather than being just an entity that owns and rents out living spaces.

The concept of travelling together in a waka is equally apt for CORT's long-term journey. The last year has seen the trust reach the end of its most recent three-year strategic plan, and I am so proud of our team that we have stuck to the course we plotted and made it to where we wanted to be in 2020. We now embark on a new phase. We have considered and reviewed our achievements and setbacks, and set a new course for the future.

Over the last three years, a lot has changed. CORT has achieved its goal of delivering 142 new homes for Kiwis in need, providing housing for an additional 270 people. We have also undertaken a significant upgrading of our existing housing stock, making these homes both healthy to live in and more environmentally sustainable.



"We're on the waka with our tenants, our supporters and partners, and we're all paddling in the same direction: to create great homes for our people to live in."

We have worked closely in partnership with our tenants, suppliers, government and other community agencies to ensure place-making is at the heart of our housing communities. CORT is driven by our goal of creating great places to live, promoting the wellbeing of individuals and neighbourhoods through people-centred tenancy and property management. There have been challenges along the way, especially in the area of funding, but we have proactively pursued private and institutional investment in order for us to continue our valuable work.

As a trust, we continue to see the power of setting a clear strategic direction and mobilising our resources



Communal Vegetable Garden in Mt Wellington



Tenants and CORT staff at the newly opened Sutton Crescent Development

to execute that strategy. That focus was critical in the successful completion of our initial development pipeline, in what continues to be a turbulent and dynamic political environment, and one in which the demand for public and affordable housing increases daily.

However, our work is never finished. Earlier in 2020, we took time as an organisation to set a new direction and intention for the next three years. While the Covid pandemic has thrown up new challenges, our core belief remains the same: that every person in New Zealand has the right to have a home of their own. Our new plan will be guided by three strands: providing good homes [he kāinga pai], creating good lives [he mauri ora] and building and reinforcing good partnerships [he whakawhanaungatanga pai]. Good homes are fundamental for good lives, and CORT provides more than just places to live. We know we cannot do this work alone, so we are committed to working in partnership, both with our supporters and suppliers but also our tenants. This includes recognising our obligations under the Treaty of Waitangi, as part of our commitment to increasing our cultural understanding and responsiveness.

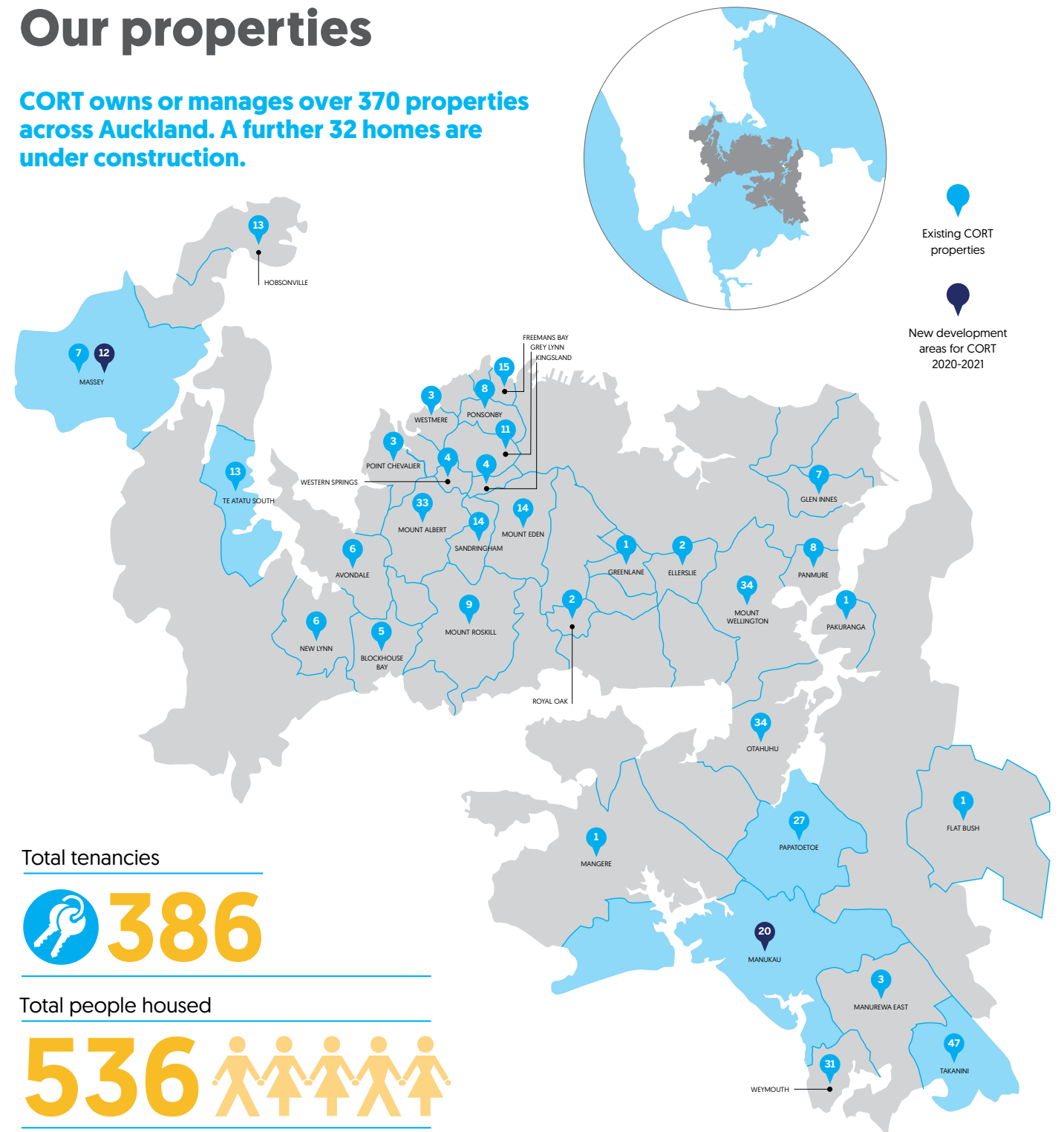
I would like to thank our trustees for gifting their time, expertise and wisdom, and to acknowledge the ongoing dedication of the entire CORT team. For each of them, it's more than just a job. They all show such strong commitment to the work we do and the impact it has on people's lives.

As a nation, we have found ourselves having to navigate through one of the biggest shared challenges New Zealand has faced. We know more challenges lie ahead, but at CORT we take comfort from the journey we've been on and the progress we have made in the last three years. He waka eke noa: we're on the waka with our tenants, our supporters and partners, and we are all paddling in the same direction: to create great homes for our people to live in.

Sue Watson
Chairperson, CORT Board of Trustees

Our properties

CORT owns or manages over 370 properties across Auckland. A further 32 homes are under construction.



Total tenancies

386

Total people housed

536

Type of housing



CEO's Review

“After being homeless last year for 8 months I am thankful every day to CORT for my new home” – comment from 2020 CORT tenant satisfaction survey

At the start of 2020, we sat down to review our most recent three-year strategic plan and lay a new course for the future. It was a time to reflect on everything we've achieved and look ahead to where we want to go next. However, as we all know, the country — and the wider world — was then thrown into a tailspin by the Covid-19 pandemic. Our immediate concern became finding new ways to work with our tenants to make sure everyone made it through the lockdown. Now we find ourselves emerging into a new era.

We might have made it through the initial crisis in reasonably good shape, but it is very apparent that the New Zealand and world economies are going to go into recession. No one knows what that will look like, but what we do know is that there will be an increased need for our services. Traditionally, people on lower incomes tend to struggle at these times, a lot more than those who might have a bit more of a financial cushion. The good news is, we are in a good position to respond and have plans in place to increase the services we offer.



CORT is particularly proud of the Addison development, both in terms of the spaciousness of the units and their modern design, which fits very well into the surrounding community.

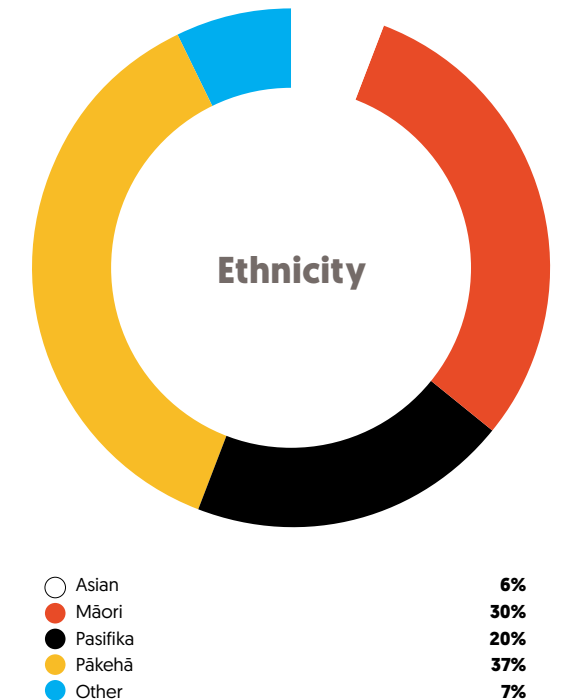
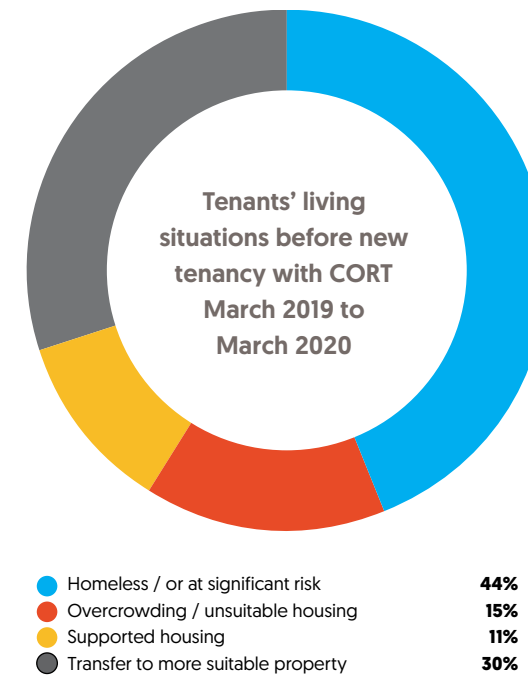
Our progress completing a large number of houses would mean a lot less if we didn't feel like they would also be good homes for our tenants. For CORT, good homes are ones that are in a great location, fit into or improve the surrounding neighbourhood, are designed to promote inclusive and safe communities, and can meet the needs of a diverse range of people. Ultimately, the acid test for all of us at CORT is “would I be happy living here?” I am proud to say that this is true for all of the new homes we've built.

Good homes — he kāinga pai

Over the past three years, we are proud to have created 162 new homes for New Zealanders in need. As of mid-2020, 146 of these homes had been completed and handed over to their new tenants, with the final 27 to be finished by the end of the year.

We have opened four new developments in the past year: 14 units at Mason Square in Ōtāhuhu, 27 units at Sutton Crescent in Papatoetoe and 33 units across two stages as part of the Addison development in Takanini. The second stage of this project was officially opened in February 2020 by Housing Minister Megan Woods.

122 – new tenancies started in the last 12 months



5 years and 7 months - the average length of a CORT tenancy

[excluding tenancies of less than 1 year]



The full 2020 Tenant Satisfaction Report is available at www.cort.org.nz



Over the last 3 years, we have built 142 new homes. We are committed to continue this work and build more great places to live.



As part of our ongoing commitment to quality assurance, we have again engaged Beacon Pathway to review our existing developments. This respected, independent body analyses how successful a development has been, both suggesting immediate improvements and increasing our knowledge, enabling us to create even better developments in the future. Four developments have been assessed this year, and we plan to continue to utilise this continual improvement process.

Over the past three years we have also made a major commitment to improving the quality of our older homes, making sure these properties are both energy-efficient and healthy to live in. This has included a rollout of LED lighting and the installation of more efficient heating, insulation and double glazing.

Good lives — he mauri ora

Our tenancy team works incredibly hard — and with great success — to welcome our tenants to their new communities and continue to support them. When we are planning developments, we place a strong focus on thinking about who is going to be living there and how that community will function in the long term. This is a priority for CORT — not just providing the right physical homes for people to live in, but creating supportive and successful communities.

We have continued to operate our tenant advisory group, and have expanded our tenant engagement programme to provide more social events and activities. A highlight of the last year was the mid-winter dinner hosted by the Te Mahurehure marae in Point Chevalier, where around 160 people enjoyed a fantastic evening of food and entertainment. I would like to give a big thanks to the two tenants on the CORT board, who run a number of social groups, and have had a huge input into the tenant engagement programme.

The strength of our team and the relationship we have with our tenants was amply demonstrated during the Covid-19 lockdown. Our team managed to house 10 people who had been living in very difficult situations,



CORT CEO Peter Jeffries and Hon. Dr Megan Woods opening new homes

whose vulnerability had been amplified by their inability to isolate themselves safely. Fortunately, CORT was able to fast-track them into homes and make sure they had everything they needed to make it through the lockdown, including food and furniture.

The team also made a huge effort to support all our existing tenants during this difficult time, calling every one of them at least once a week, to make sure they had the things they needed. A special emergency fund was set up, and our team dropped off food packages to those who were having difficulty getting supplies. We also worked to keep people connected during the isolation period, including running a poetry competition. A group of volunteers and supporters of the trust also made many calls to connect with tenants, many of whom live alone, on a social basis. We were incredibly impressed by the way both our team and our tenants responded to this challenging time, both in terms of maintaining their isolation but also supporting each other, staying well and remaining positive.



“Having a place to stay and call home is something that most people take for granted, but for our tenants it’s life-changing.”

Elizabeth Joynt
CORT Tenancy Manager

Elizabeth Joynt began work at CORT in 2017 as office manager, before moving into a tenancy management role in 2018.

“I felt that what I was doing had become unfulfilling, and I was looking for a job where I could help people. Once I started at CORT I could see the value in the work they do, and when the tenancy manager role came up I was quick to show my interest.

The point of difference with CORT is that we can advocate for people, and go above and beyond in ways that other organisations can’t. We can be flexible around meeting our tenants’ needs. If we see someone struggling, we have the green light to support them until we find the right approach.

That personal relationship with tenants is a big part of the role. I love being able to see what a difference we can make to people’s lives. Having a place to stay and call home is something that most people take for granted, but for our tenants it’s life-changing. They can then focus on what other things they need or want to do with their lives.”



190 homes at Puhinui Park are under construction by the consortium made up of the New Zealand Housing Foundation, Te Tumu Kāinga, and CORT.

Good partnerships — he whakawhanaungatanga pai

As always, we recognise that CORT cannot continue to meet its goals without the support of others, including support agencies, others in the community housing sector, and our development partners. An example of this is our involvement in the Puhinui Park development at Manukau, where CORT has partnered with the Housing Foundation and Te Tumu Kāinga to build 190 new homes. CORT will receive 20 of these homes later this year. We have been delighted to be part of this fantastic mixed-tenure development, which follows the successful model of the Waimahia development and is a great showcase for the community housing sector collaborating and using innovation to deliver large-scale housing solutions.

I would also like to say a huge thanks to our government partners this year. Creating public housing can be a complicated process, but we're committed to continue to work with government and all of our partners to find ways to do it. The government has been working closely with us to find new funding models, and I would

like to acknowledge all the work done by the Ministry of Housing and Urban Development and the Ministry of Social Development in this space.

CORT has also welcomed two new staff to the team: Eleanor Erihe, who has joined us as a tenancy manager, and Vanessa Bray, our new property administrator. And of course we continue to greatly appreciate the support of the Ponsonby Baptist Church, both in terms of governance expertise and for its community support, and our wonderful, hard-working board of trustees.

Community housing has always been a challenging and changing field in which to work, and the Covid-19 crisis has created further uncertainty. However, we feel that CORT is in very good shape to be able to respond to the challenges ahead.

Peter Jeffries
CEO, CORT Community Housing

David's story

“David, who has been housed by CORT in the past, has been living in a one-bedroom apartment at the trust's new Sutton Crescent development in Papatoetoe since February 2020”

“I was one of the first to move in, just before the Covid-19 lockdown. I had been in supported accommodation, but it was time to move on. I know this area, because I grew up not far from here.

I like living here — it's a nice part of town and I've got good neighbours. It's close to the supermarket, and walking distance to the pool and leisure centre.

I like having my own space but still being close to neighbours. I get along with all the other people living here. And these apartments are better than flats — much more flash and a more modern style of living.

CORT are great — they give me a lot of support and keep me on my toes. They give me advice about keeping my place nice, and make sure I'm looking after myself.

I'm really happy here and I've got no thoughts of moving out any time soon.”



Treasurer's report

The financial performance of CORT in 2020 has been strong, despite the economic impact of COVID-19 that emerged late in the financial year.

Total assets of the Trust at year-end were \$153 million (up from \$124 million in 2019), due to 85 new properties being added to the portfolio and work in progress at year end.

Taking into account total liabilities, the Trust's net equity was \$101 million at the end of 2020, up from \$73 million in 2019. The stronger balance sheet in 2020 largely reflects new dwellings being completed or in progress during the year (\$17 million after additional debt) and a release of \$11 million to grant revenue, which were previously treated as a liability.

Importantly, in 2020 CORT had strongly positive cash flows of \$7.5 million from its operations, after taking into account interest, employee and other operating costs. Cash flows from operating activities are applied to new developments while keeping a prudent cash-flow reserve. The net cash flows in 2020 were lower than in 2019 due largely to reduced grants from the Ministry of Social Development, reflecting the completion of a large number of development projects.

CORT's strong financial performance in 2020, with solid cash flows and a significantly stronger balance sheet, leaves it well placed to continue to serve its current and new tenants. CORT is also exploring means by which it can continue to prudently fund additional dwellings under changed government policies. Of most importance, CORT's solid financial position and proven management and governance expertise leaves it well placed to continue to grow in a changing environment — most immediately in the fallout of the COVID-19 pandemic, but also over the long term.

Refer to the full audited version of the financial statements and associated notes for further information in respect to the narrative set out above.

Alex Duncan
Treasurer, CORT Community Housing

Trust directory

For the year ended 31 March 2020

Purpose of Trust	To obtain and maintain affordable accommodation for disadvantaged people with social needs within Auckland
Incorporation Date	October 1987
Charities Register Number	CC36795
Address	68 Grafton Road Auckland
CEO	Peter Jeffries
Trustees	Sue Watson (Chairperson) Alex Duncan (Treasurer) Graham Davison Jody Kilpatrick John Deyell Julie Dudfield Tony McNamara Zheyne Tahana
Bankers	ASB Bank Limited, Auckland
Auditors	RSM Hayes Audit Newmarket Auckland

Statement of comprehensive revenue and expenses

for the year ended 31 March 2020

	2020 \$	2019 \$
Revenue from exchange transactions		
Rent received	4,040,301	2,906,998
Interest received	2,416	8,125
Directors' fees	—	—
Dividends received	—	40,521
Revenue from non-exchange transactions		
ADHB contract income	589,391	546,607
Grant income	18,266,789	5,472,558
Rental subsidies	2,626,029	2,374,024
Total revenue	25,524,926	11,348,833
Expenses		
Property expenses	3,631,887	2,946,085
Administration expenses	413,213	344,659
Personnel expenses	874,348	1,130,364
Finance costs	1,519,253	852,068
Depreciation	23,855	26,513
Loss on disposal of assets	(3,057)	384,236
Total expenses	6,459,498	5,683,926
Income distribution from limited partnership	54,888	252,000
Unrealised net change in the fair value of investment properties	8,495,645	8,688,956
Total surplus for the period	27,615,961	14,605,863
Other comprehensive revenue and expenses	—	—
Total comprehensive revenue and expenses	27,615,961	14,605,863

CORT's full audited financial report 2019-2020 available at cort.org.nz

Statement of financial position

as at 31 March 2020

	2020	2019
	\$	\$
Current assets		
Cash and cash equivalents	2,239,423	2,170,822
Accounts receivable	285,923	1,317,037
Prepayments	85,451	29,073
	2,610,797	3,516,932
Non-current assets		
Investment properties	140,555,407	99,392,506
Development work in progress	9,889,388	20,584,931
Plant and equipment	74,347	71,164
Investments	396,000	396,000
	150,915,142	120,444,601
Total assets	153,525,939	123,961,533
Current liabilities		
Sundry creditors	279,132	2,867,824
GST payable	3,266	2,541
Tenant funds	9,052	3,127
Loans	3,003,821	1,773,923
	3,295,272	4,647,415
Non-current liabilities		
Loans	43,456,651	29,148,471
Conditional grants	6,217,752	17,225,343
	49,674,403	46,373,814
Total liabilities	52,969,675	51,021,229
Net assets	100,556,265	72,940,304
Trust funds		
Retained earnings	46,361,902	27,241,586
Property reserve	54,194,363	45,698,718
	100,556,265	72,940,304

For and on behalf of the Executive Committee:



Chairperson

1st July 2020

Date



CEO

1st July 2020

Date

CORT's full audited financial report 2019-2020 available at cort.org.nz

CORT values the contribution of our partners in assisting us to create great homes for our tenants. We work in a range of partnerships to share and gain valuable experience and expertise.

- Accessible Properties
- ACOS
- Affinity Services
- ASB Bank
- ASB Community Trust
- Auckland City Mission
- Auckland Community Housing Provider Network
- Auckland DHB
- Australasian Housing Institute
- Bays Community Housing Trust
- Beacon Pathway Inc
- Buchanan Rehabilitation Centre
- Crossroads Clubhouse
- Community Housing Aotearoa
- Cornwall House CMHC
- De Paul House
- Ember
- Emerge Aotearoa
- Equip Mental Health Services
- Habitat for Humanity
- Isa Lei
- Kāinga Ora
- Kiwibank
- Lifewise
- Link People
- Mahitahi Trust
- Manaaki House CMHC
- Matariki CMHC
- Ministry of Business Innovation and Employment
- Ministry of Housing and Urban Development
- Ministry of Social Development
- New Zealand Housing Foundation
- New Zealand Property Council
- Monte Cecilia Housing Trust
- Pathways
- Penina Health Trust
- Ponsonby Baptist Church
- St Lukes CMHC
- Taylor Centre
- Tamaki Collective
- Te Mahurehure Marae
- Te Puea Memorial Marae
- Te Tumu Kāinga
- Te Tumu Paeroa
- The Salvation Army
- VisionWest Community Trust
- Waitemata DHB
- Westpac Bank

Electronic copies of this report are available on our website cort.org.nzText: Sarah Ell
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