

A photograph of a woman with long dark hair, wearing a light-colored floral dress, smiling warmly while holding a young child. The child is wearing a checkered shirt and tan overalls, also smiling. They are in a bright, indoor setting, possibly a home or a community center, with a dining table and chairs visible in the background.

CORT Community Housing

[COMMUNITY OF REFUGE TRUST]

Annual Report

—
2021

Chimene's story

Chimene was living on a small boat with no toilet, shower or running water before moving into the two-bedroom unit she shares with her son Tohoea at CORT's Glynnbrooke development in Te Atatu.


I moved up to Auckland from Gisborne to be near family, it was all I could afford, but it wasn't a safe situation for me. I spent three winters

on that boat, but it exacerbated my lung disease, I was suffering from severe depression, and I have chronic fatigue syndrome.

Moving into this unit was like having a fairy godmother wave their wand, it's transformed my life. I can now manage my health – I haven't been hospitalised since I moved here. Because I have a stable, affordable

home, that stress has been taken away. I can look after myself and keep my health as good as possible.

I love gardening, it is part of my mental health pathway. Another tenant and I are the gardeners for the block. I love the sense of community here – before I felt so isolated, but here we can keep an eye on each other.



“When you see social housing working like it does with CORT, you get a glimpse of hope for a much better world.”

Cover image Gabriella and her son LJ at their home in Massey

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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 13 staff. It develops and provides rental accommodation for over 390 tenants and their whanau. We own or manage 383 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 tūrangawaewae A place for everyone

Aotearoa New Zealand has fared better than many countries around the world in terms of eliminating and managing the Covid-19 virus. But, as is often the case in times of uncertainty and economic stress, it has been the poorest members of our community who have suffered the most. Housing waiting lists have continued to balloon, and many people who were able to obtain extra support during the first phase of Covid have found themselves no better off, a year down the track.

While the massive, out-of-control rises in property prices might feel good for some people, they have further entrenched the poverty being experienced in the lowest socio-economic sector of the population and made a shift back to greater fairness and equity even more difficult to achieve. As of March 2021, more than 23,600 households were on the public housing register. This number has doubled in the past two years, and the average wait-time to be housed is now more than seven months. We should not underestimate the significant and long-term effects housing insecurity has on individuals and families.

This situation reinforces why housing equity is important for the whole of society. At CORT, we believe everyone has the right to live in a healthy, safe and secure home. For our community, our city and our country to function well, we have to create an inclusive and functional society, in which there is a place for everyone. When there is sufficient quality housing, all outcomes improve. Greater housing stability ensures better results in health, education, employment and community well-being. Housing is infrastructure – as critical as hospitals, schools, sewerage and roads – and it underpins all other positive outcomes in a society.

It is obvious that the need for more public housing has never been greater. Fortunately, CORT is determined



“For our community, our city and our country to function well, we have to create an inclusive and functional society, in which there is a place for everyone.”

to play an active part in providing a solution. With our experience and track record of producing high-quality projects, we can build hundreds of new homes every year, as long as we can secure the financial support we need.

In the second year of the execution of our current three-year strategic plan, CORT has been actively seeking new funding, looking to partner with and attract private equity. In January 2021, we were very excited to announce our development joint venture with ACC, New Zealand's second largest investment fund. This type of partnership is unprecedented and forges a new path both for CORT and public housing in



general. It is a huge vote of confidence in CORT, and will act as a model for future equity partnerships. We are committed to engaging further with the private sector to enable even more homes to be built, to reduce that waiting list and help Kiwis in need.

These ACC joint-venture developments, which will provide 100 new homes spread across sites in south and west Auckland, are key to fulfilling our strategic goal of He Kāinga Pai – creating good homes for those who so desperately need them. It also reflects our goal of He Whakawhanaungatanga Pai – creating and maintaining strong and mutually beneficial partnerships, not only with equity providers but also other organisations and support services, to ensure tenants have the greatest backing and level of assistance possible. These connections are crucial to the work we do, and we couldn't succeed without them. This includes our strong relationship with the government, a key supporter of

innovation and growth in community housing.

At the heart of it all is our goal of He Mauri Ora: creating good lives for our tenants, investing in them and creating neighbourhoods and communities which enable everyone to flourish and have hope for a better future. If we don't get housing right, everything else suffers. In communities, neighbourhoods and cities that function well for the people who live there, everyone has a place to call home. When we fail to provide housing for everyone, no one can thrive. We must make space for all.

Sue Watson

Chairperson, CORT Board of Trustees

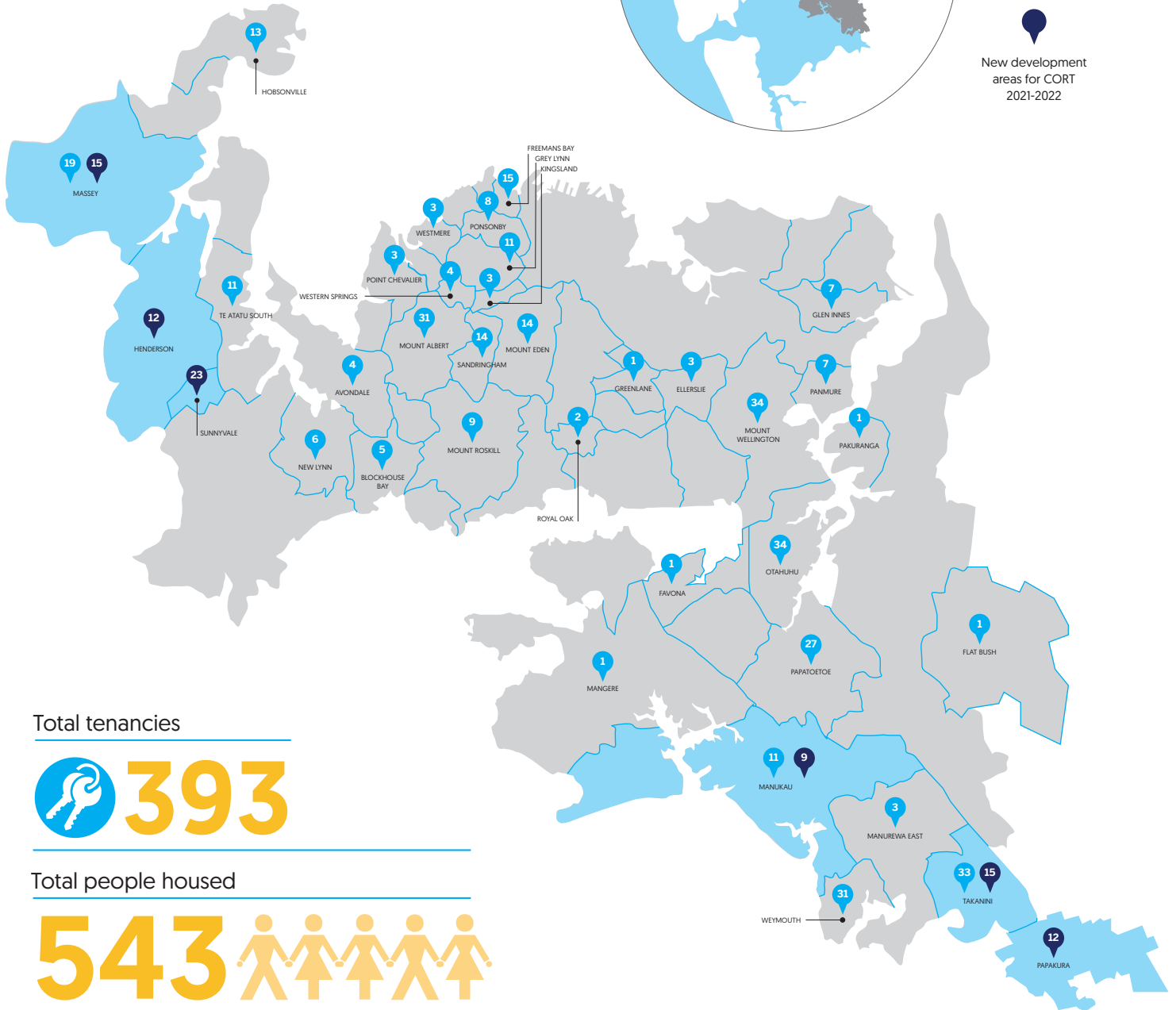
Our properties

CORT owns or manages over 383 properties across Auckland. A further 86 homes are under construction.



 Existing CORT properties

 New development areas for CORT 2021-2022



Total tenancies

 **393**

Total people housed

543 

CEO's Review

Over the 34 years CORT has existed, the environment we operate in has continually shifted and changed – offering challenges but also opportunities. From changes of government and policy, to economic booms and recessions, and now a global pandemic, we have seen a lot. CORT has adapted in response to this dynamism, but our continued existence and growth is due to one thing that hasn't changed: our stubborn commitment to working towards a fairer society – one in which everyone has access to a good home / he kāinga pai. Despite the huge challenges thrown up by the Covid-19 pandemic, we are continuing to push to do more, and do better.

In mid-2020, few of us would have predicted that the government's economic response to the pandemic would have such a dramatic effect on housing affordability. That, coupled with an already precarious housing situation, has only worsened the prospects for many New Zealanders trying to access good-quality, affordable homes. The need for our services has never been greater, but fortunately CORT is in good heart and well-positioned to make a significant difference in the lives of many families struggling with housing issues.

ACC Joint Venture

The biggest news from the last 12 months is our innovative new development partnership with ACC. It is big on a couple of levels: firstly, in terms of us forming a \$50 million joint venture with the government body, which will allow us to build around 100 new homes. The Ministry of Housing and Urban Development has also been a critical part of the process and will support the project through the Income Related Rent Subsidy.

The other way in which this project is significant is that it is a huge vote of confidence for CORT and what we do.



ACC is New Zealand's second largest investment fund, managing around \$44 billion. That such an organisation is prepared to enter a joint venture with CORT shows that we have a reputation for not only delivering quality projects, on time, but also meeting investors' needs and providing the returns they are looking for. It's a huge tick of approval not just for the concept of community housing but also for CORT as a provider.

We hope that this partnership will be just the beginning of this sort of engagement with private-sector funding. Our team is continuing to investigate other options and equity partners, and you can be assured that we are not going to stop at these 100 homes.



CORT's Apartment Development at Puhinui Park with 15x 1-bedroom units.

IMAGE SUPPLIED BY CORT

New Homes

In the past year we have also completed two more housing projects, providing new homes for 34 families in need. After the completion of the developments at Airfield Road in Takanini and Sutton Crescent in Papatoetoe in early 2020, following the initial Covid lockdown we handed over a further 14 units at Moire Road in Massey, west Auckland, and received 20 units as part of the mixed-tenure development at Puhinui Park in Manukau.

The Moire Road units were part of a larger integrated housing development on Crown land built by Fletcher Residential. Puhinui Park was CORT's second joint venture with the Housing Foundation and Te Tumi Kāinga, with whom we worked on the successful Waimahia Inlet development. We have now received our 20 units out of the staged 190-home development

and our tenants are very pleased to have moved into their attractive, three-storey walk-up units. Puhinui Park has an excellent, north-facing location within walking distance of the Manukau transport hub and mall, and CORT is proud to have been involved in this development.

Our development preparation for new projects under the ACC joint venture is ramping up, and we have confirmed sites for five of a proposed seven new projects, in south and west Auckland, comprising 78 units. Construction started in July this year, and design work is underway for future projects. Each of these developments will follow CORT's design guidelines and model of building clusters of between 10 and 20 one- and two-bedroom units, with the idea of creating mini-communities within the wider neighbourhood.



This programme is going to keep us busy for the next few years, and we're very excited about the opportunity it allows us to create a significant number of high-quality new homes.

Healthy Homes and Happy Tenants

As well as building the best new homes we can, CORT is also committed to continually reviewing and improving our existing housing stock. Over the next two years we will focus on improving insulation in around 300 of our current properties. Renovation of our older units is an important part of our strategic plan, and we will continue to upgrade our existing properties to maintain a consistent high standard.

We have also engaged in a programme of 'smart' home-monitoring of our properties, to gather robust data about the existing environmental conditions of our homes, including CO₂ levels, humidity and temperature. This data provides highly accurate feedback which

will enable us to make informed decisions and get the balance of insulation, heating, and ventilation right, in both existing and new properties. We're pleased to be able to harness the latest technology so we can continue to provide the best homes possible for our tenants.

CORT is also continuing to review the performance of our homes and communities through Beacon Pathway. Beacon surveys focus on the overall success of our developments, taking a 360-degree look, with feedback from both tenants and tenancy managers. From this data we can assess how successful we have been in designing and executing each of our developments, balancing all the factors that go into building new homes. We currently have three Beacon surveys underway and will continue to review our properties and the communities they create.

While we wait a year before engaging in the Beacon process, CORT continually seeks feedback from tenants through our tenant satisfaction survey.

CORT tenancy managers

Eleanor Erihe (right) has been a tenancy manager at CORT for more than two years, while Alaina Krissansen joined the team in late 2020. Together they have supported many of the new communities in CORT's new developments.

Eleanor: "We spend a lot of time having face-to-face time with tenants to build supportive rapport with them. Great relationships make everything easier."

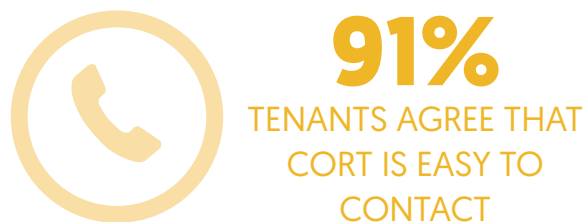
Alaina: "Every day, I look forward to being able to make a difference, to make things happen, to help to improve the lives of the people that we support."



Key performance measures

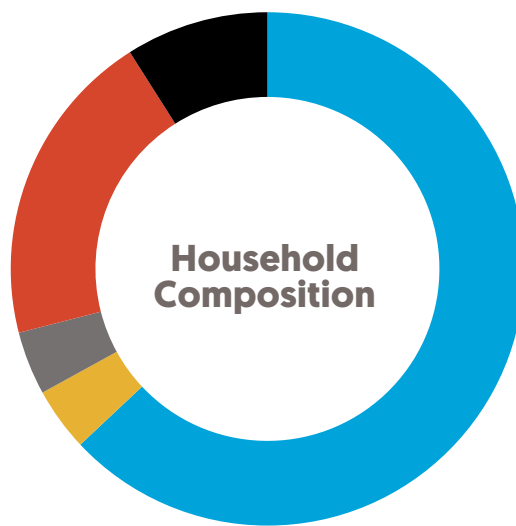
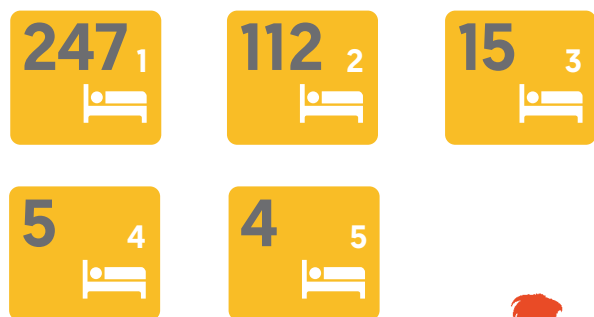
[last 12 months]

Tenant satisfaction statistics during 2020-2021



Full version of the 2021 Tenant Satisfaction Report available at www.cort.org.nz

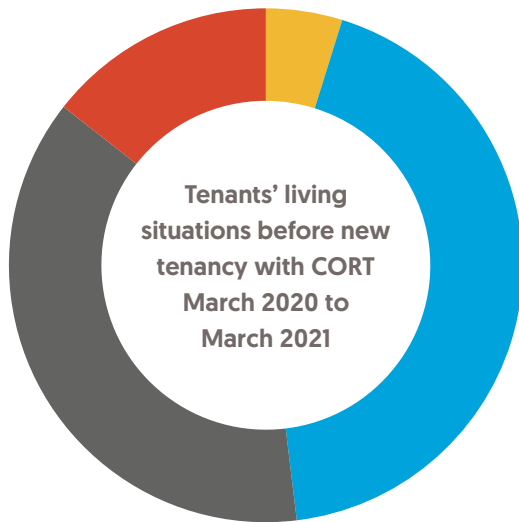
Type of housing



- single **63%**
- couples with children **4%**
- couples no children **4%**
- single parents **20%**
- shared house **9%**



110 – new tenancies started in the last 12 months



- Supported housing **5%**
- Homeless / or at significant risk **45%**
- Transfer to more suitable property **35%**
- Overcrowding / unsuitable housing **15%**



- Asian **6%**
- Māori **30%**
- Pasifika **23%**
- Pākehā **32%**
- Other **9%**

5 years and 3 months - the average length of a CORT tenancy

[excluding tenancies of less than 1 year]

Age Range of CORT Tenants



16-24 years

24



25-34 years

54



35-44 years

94



45-54 years

95



55-64 years

88



65-74 years

33



75+ years

5



We have started asking for feedback from tenants who have just moved into their new homes, to see how well they are settling in and making a home for themselves. Our tenants are ultimately at the centre of what we do, so these surveys are critical for us, to find out how we're performing and how we can improve our services. Both the Beacon and tenant satisfaction reports are available on our website, www.cort.org.nz.

As part of our tenant engagement programme, CORT has hosted three highly enjoyable social events this year: a Christmas dinner at Te Mahurehure Marae in Pt Chevalier, a whanau day at Parakai hot pools, and then recently back to Te Mahurehure Marae for a wonderful midwinter dinner. These events are a great opportunity for our tenants and our team to get to know each other and have fun in a relaxed atmosphere.

This year we have also begun an IT systems upgrade, working through replacing our tenancy management

software, and have welcomed two new staff: project manager Quinn Hamill, and tenancy manager Alaina Krissansen. In June we moved to a new office in Upper Queen Street, which will give us some more space as we grow. Please feel free to drop in and say hello.

Despite the ongoing Covid-19 pandemic causing some uncertainty, the team at CORT are excited about what lies ahead. With our new partnership with ACC, and the hope of more large-scale projects like this getting underway in the future, we're pleased to be playing our part to alleviate even a small part of the housing stress being experienced by so many New Zealand families.

A handwritten signature in black ink that reads "P. Jeffries".

Peter Jeffries
CEO, CORT Community Housing



Gabriella's story

Gabriella, a solo mother, was living in emergency housing with her newborn baby son Lafaele (LJ), before moving into a new home at CORT's Moire development in Massey.

We moved in in April this year [2021], when my son was just a little baby. I had been staying in emergency housing, and my social worker helped me to get this place through CORT. My tenancy manager was so kind – she was wonderful.

I'm so happy now we've found a house, because when we stayed at the emergency house it wasn't a safe place, especially for my baby. There were heaps of people there and some people I didn't like to be around.

I found out that one of the other ladies here is also from Samoa, and she turned out to be my cousin. When I saw her walking around I realised it was her!

The community around here are really friendly people, and this area is very peaceful. I'm really happy to be here, and happy with my home.

This is a really nice place, and it's a safe home for me and my son.

Treasurer's report

The financial performance of CORT in 2021 has been strong, despite the economic impact of COVID-19 during the financial year.

Total net assets of the Trust at the year of 2021 were \$124million, up from \$101 million in 2020. This increase of \$23 million was primarily due to higher property values and a release of conditional grants (under liability) to grant revenue.

During 2021 the joint venture between CORT and ACC was established, known as ACCORT. It will take time before CORT's stake in the joint venture will have a positive impact on the Trust's earnings and balance sheet.

CORT's equity at the end of 2021 was \$124 million and debt was \$52 million. CORT's financial position is strong with debt representing less than 30% of total assets of \$176 million.

Managing cash flows from operating activities is also important, being revenue from rents, subsidies and grants less interest and staff costs. In 2021, CORT had positive cash flows of \$5.5 million. In preparing for supporting new initiatives, personnel cost increased by about 30%.

Work is already underway to develop a 'Statement of Service Performance Reporting' which is mandatory reporting in 2023 and will be independently audited.

CORT's strong financial performance in 2021, with solid cash flows and a significantly stronger balance sheet, leaves it well placed to continue to serve its current and new tenants. In conjunction with our key partners, CORT will continue to prudently fund new dwellings and support our tenants.

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

Alex Duncan

Treasurer, CORT Community Housing

Trust directory

For the year ended 31 March 2021

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	Level 3 60-64 Upper Queen Street Eden Terrace Auckland
CEO	Peter Jeffries
Trustees	Sue Watson (Chairperson) Jody Kilpatrick Zheyne Tahana Tony McNamara John Deyell Graham Davison Alexander Duncan (Treasurer) AK Yap (Appointed 21 March 2021)
Bankers	ASB Bank Limited, Auckland
Auditors	RSM Hayes Audit Newmarket Auckland

Statement of comprehensive revenue and expenses

for the year ended 31 March 2021

	2021	2020
	\$	\$
Revenue from exchange transactions		
Rent received	6,070,788	4,040,301
Interest received	3,233	2,416
Revenue from non-exchange transactions		
ADHB contract income	572,849	589,391
Grant income	10,388,940	18,266,789
Rental subsidies	2,477,394	2,626,029
ACCORT Income	160,032	
Total revenue	19,673,235	25,524,926
Expenses		
Property expenses	3,882,092	3,631,887
Administration expenses	487,431	413,213
Personnel expenses	1,137,900	874,348
Finance costs	2,052,497	1,519,253
Depreciation	31,970	23,855
Loss on disposal of assets	[4,454]	[3,057]
Total expenses	7,587,437	6,459,498
Income from distribution from limited partnership	-	54,888
Net share of partnership surplus/(losses)	61,474	-
Unrealised net change in the fair value of investment properties	11,539,194	8,495,645
Surplus for the year	23,686,466	27,615,961
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	23,686,466	27,615,961

CORT's full audited financial report 2020-2021 available at cort.org.nz

Statement of financial position

as at 31 March 2021

	2021	2020
	\$	\$
Current assets		
Cash and cash equivalents	3,483,889	2,239,423
Accounts receivable	654,062	285,923
Prepayments	434,326	85,451
	4,572,277	2,610,797
Non-current assets		
Investment properties	170,704,999	140,555,407
Development work in progress	90,145	9,889,388
Plant and equipment	106,190	74,347
Investments	457,475	396,000
	171,358,809	150,915,142
Total assets	175,931,086	153,525,939
Current liabilities		
Sundry creditors	345,518	279,132
GST payable	7,164	3,266
Tenant funds	5,994	9,052
Conditional Grants	228,000	5,989,752
Loans	3,049,656	3,003,821
	3,636,333	9,285,024
Non-current liabilities		
Loans	48,052,021	43,456,651
Conditional grants	-	228,000
	48,052,021	43,684,651
Total liabilities	51,688,355	52,969,675
Net assets	124,242,732	100,556,265
Trust funds		
Retained earnings	58,509,174	46,361,902
Property reserve	65,733,557	54,194,363
	124,242,732	100,556,265

For and on behalf of the Executive Committee:

S. Watson

Chairperson

30th July 2021

Date

P. Jeffries

CEO

30th July 2021

Date



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.

- ACC
- Accessible Properties
- ACOS
- Kāhui Tū Kaha
- 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
- Community Finance
- Community Housing Aotearoa
- Cornwall House CMHC
- Counties Manukau DHB
- Crossroads Clubhouse
- 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 Health
- 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
- Kāinga Tiaki
- Taylor Centre
- Tamaki Collective
- Te Mahurehure Marae
- Te Paea 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.nz

Text: Sarah Ell
Design: Karryn Muschamp
Photography: Jessie Casson



Level 3, 60-64 Upper Queen Street
Eden Terrace, Auckland 1010
New Zealand

P.O. Box 78-164
Grey Lynn
Auckland 1245

p +64 9 376 3049
e info@cort.org.nz
w cort.org.nz