

A man wearing a black beanie, a black polo shirt with a CORT logo, black wristbands, and a black fanny pack stands in front of a brick building. The background includes green foliage and a white door.

CORT Community Housing

[COMMUNITY OF REFUGE TRUST]

Annual
Report
—
2022

Nikki's story

Nikki lives in CORT's Eastview development, a complex of six one-bedroom units near the Glen Innes town centre. A talented artist, she makes mosaics which are exhibited at Grey Lynn's Toi Ora Trust.

I moved here about two and a half years ago, after I had been living in another CORT development in Richmond Road in Grey Lynn for four years. CORT found this place for me,

and it's perfect. I can fit all my stuff in here, and there's lots of shelving for my mosaic materials and art work. I've been making interior mosaics since 2007, and selling some of my work, as well as making beanies.

This is the perfect location for me: there are five op shops in Glen Innes, a few \$2 shops and it's close to places to get food, including PAK'nSAVE. My tenancy manager Alaina found a good friend of mine

an apartment in St Johns nearby, so it's easy for us to hang out together and share taxis, using our Total Mobility Cards. I can also take the train into town then a bus to Grey Lynn to go to the gallery – it only takes about 15 minutes into town from here.

If I need any help with the unit, I can get in touch with Alaina and she can sort it out. I've known the people at CORT for a long time and feel like I can talk to them.

If it wasn't for CORT, I'd hate to think where I'd be living. Accommodation is so expensive in Auckland, I don't know if I'd be able to afford to live anywhere else by myself. It's been a lifesaver for me to have a secure place like this to live.



Cover image Timothy at his home in Mt Wellington.

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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 16 staff. It develops and provides rental accommodation for over 570 tenants and their whanau. We own or manage 391 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

Kia kaha, kia māia, kia manawanui Be strong, be brave, be steadfast

The last two years have been difficult the world over, for people from all walks of life, but the Covid pandemic and ongoing global economic uncertainty has impacted most greatly on the most vulnerable people in our community. As we adapt to our “new normal”, the need to provide safe, healthy homes for all is as urgent as ever. At CORT, we are steadfast in our commitment to being part of the solution to housing the people most in need in Tāmaki Makaurau – something which has been true from our earliest beginnings.

In light of this, it is important to acknowledge the huge contribution of Mike Riddell, former minister of the Ponsonby Baptist Church and founder of CORT, who passed away in March 2022. Through Mike's passion for and commitment to social justice, he set the whole organisation in motion in 1987, in response to the pressing need he saw for local people to have adequate housing in the face of urban renewal and the deinstitutionalisation of mental health services. He believed that ‘the simple act of providing people with the dignity of adequate accommodation can produce profound changes.’ His contribution to CORT and the wider community was immense and will not be forgotten.

I also want to acknowledge the extraordinary legacy of our recently retired chief executive Peter Jeffries. Like Mike, he was involved with CORT from its very early days and has had a huge impact on the organisation, particularly through his ability to innovate around funding models to enable us to continue to deliver on our promise of providing good homes for people who need them.



IMAGE SUPPLIED

“The simple act of providing people with the dignity of adequate accommodation can produce profound changes”

We are still committed to building, changing, innovating. The Puhinui Park development in Manukau is a great example of this. This partnership project with the Housing Foundation and Te Tumu Kāinga has created a new, vibrant community just a few minutes away from the town centre and transport links, which will ultimately produce more than 180 affordable new homes for first-home buyers and social housing tenants. Our joint venture with ACC through its social impact investment fund is also well underway, with seven sites across Auckland being prepared in order to build another 104 homes. The construction industry may be facing headwinds – in the form of increasing material costs and labour constraints as well as surging land values – but



CORT's 108 May Road Development which will provide 5x 1-bedroom and 3x 2-bedroom units. Total 8 units.

even in the face of this we are committed to progressing with our building programme to create these new homes which are so desperately needed.

As we expand and innovate, we continue to focus on being a highly supportive landlord and building strong and diverse communities. This is our core business, and as important as our success in the development of new homes. Partnerships are crucial to this approach, including with government through the Ministry of Housing and Urban Development and Kāinga Ora, others in the community housing sector, and support agencies.

We have made it through a disruptive couple of years, and we couldn't have done so without our extraordinary team, who have been so steadfast in the face of many challenges. Our tenants are at the heart of everything CORT does, and our team provides them with an exceptional level of support and care. That team continues to grow in both size and expertise, and we have been very fortunate this year to appoint Stephen Hart to the role of CEO, following on from his six years in the role of Operations Manager.

No doubt more challenges lie ahead, but strengthened



IMAGE COURTESY OF: MILES CONSTRUCTION

by our legacy, supported by our partners and driven forward by our attitude of innovation, CORT will continue to be strong, be brave and be steadfast in our mission to change lives through providing great homes.

Sue Watson
Chairperson, CORT Board of Trustees

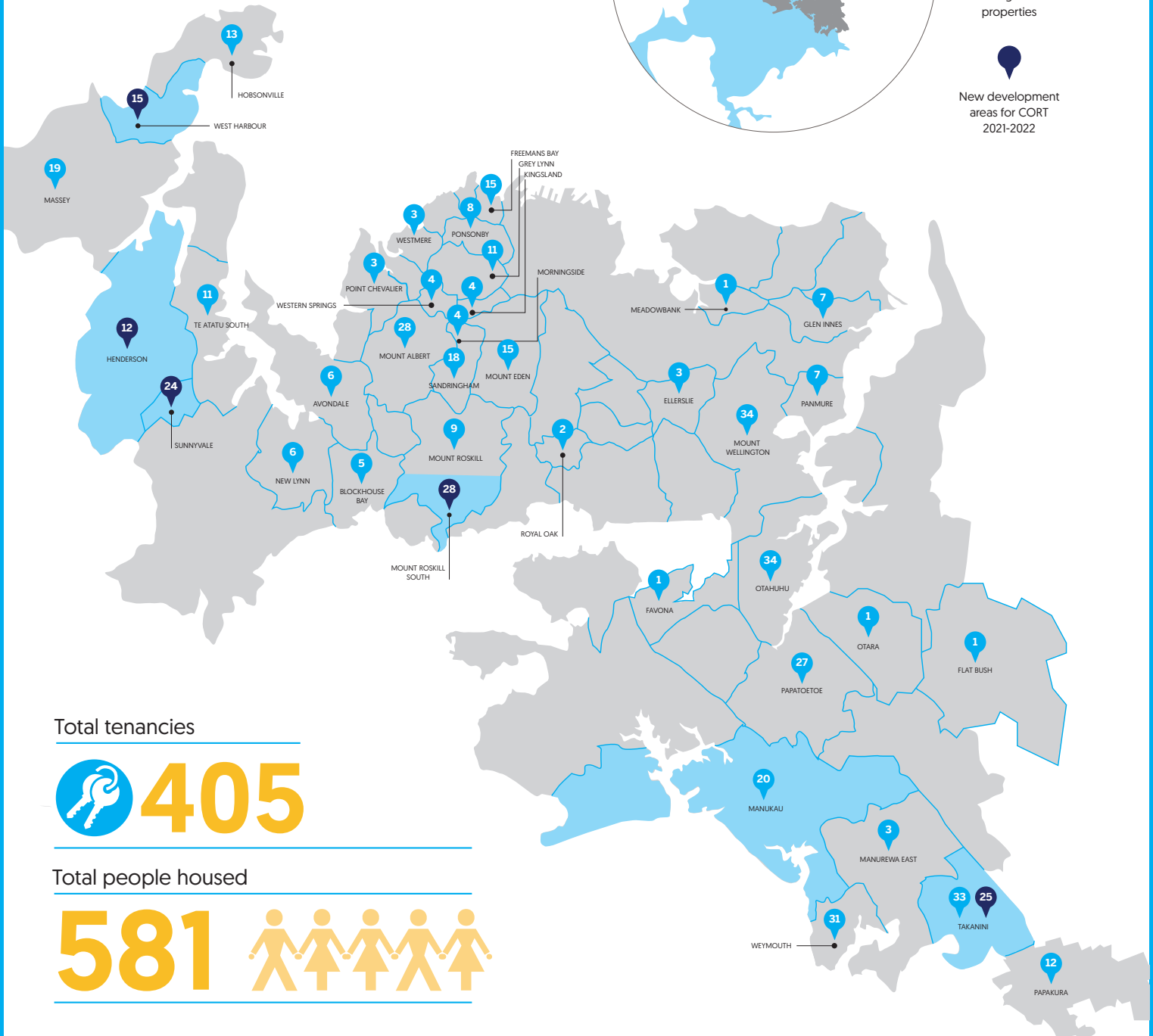
Our properties

CORT owns or manages over 400 properties across Auckland. A further 104 homes are under construction.



 Existing CORT properties

 New development areas for CORT 2021-2022



Total tenancies

 **405**

Total people housed

581 

CEO's Review

While reflecting on writing this report, my first as Chief Executive of CORT, I was drawn again to the values that were present at CORT's formation; that we must ensure everyone has an opportunity to make a home for themselves. These homes are the foundation for good lives, where people feel connected and contribute to their community. In providing good homes to nearly 600 people our team work exceptionally hard to support our tenants to have good lives, access to new opportunities and find a sense of belonging.

Our tenants are at the heart of everything we do. We work in partnership, inviting and supporting our tenants into new and existing communities across Tāmaki Makaurau. This crucial work is realised every day by our people-focussed tenancy and property teams. The dedication of these teams shone clearly in the results of our Annual Tenant Satisfaction survey, with 89% of tenants showing a high level of satisfaction with CORT's services. Further, our targeted development reports, which we undertake in partnership with Beacon Pathway, have been overwhelmingly positive about the new homes we are building. These reports, which are all available on our website, are a crucial tool for us to continue to improve what we do.

It's more than just putting a roof over people's heads. Last year, between lockdowns, we were able to have a highly successful and enjoyable tenant event, a dinner at Te Mahurehure Marae in Point Chevalier, where we hosted 130 tenants and whānau. Events like this are a key part of what we do and are integral to building strong communities. This culture of care is in our DNA and has been an integral part of CORT right from our earliest days.



As we strive to build more good homes, we find ourselves facing an uncertain economic future and building headwinds in the construction industry. Shortages of both labour and materials have seen prices escalate and programmes delayed. Despite these challenges, we remain optimistic about our progress. Alongside our joint venture partner ACC, we have seven sites under development, which will create 104 new homes. Three-quarters of the homes will be one-bedroom, with the remainder having two bedrooms, located across Henderson, Massey, Mt Roskill, Sunnyvale and Takanini.

Housing development is not the easiest sector to be a part of right now. The difference for CORT, compared to many private developers, is that we take a long-term

“I am thankful and blessed to have a house from CORT Community Housing. Just keep up the good work guys. Thank you so much!” **Source 2022 Satisfaction Report**

view. We retain the ownership of the homes we build and manage them for the benefit of the community. While cost increases and delays are unwelcome, we are committed to weathering these difficult conditions because of this long-term vision. We will continue to innovate to find ways to deliver good homes to those who need them.

The quality of what we build matters. We raise our standards for each new development. Our recently completed apartments at Puhinui Park in Manukau are yet another step forward, providing warm, dry, well-ventilated designs that are easy to live in and benefit the health of our tenants. We are maximising the number of accessible units on each site, ensuring that we can provide homes for tenants and their whānau who have limited mobility. As well as our new-build programme, we are continuing to invest in our existing homes to make sure they meet modern standards for warmth and energy efficiency, including installing double glazing and LED lights. And despite the Covid and supply disruptions, we are making significant progress on our Healthy Homes programme.

We have strong, enduring partnerships with relevant support agencies and have the skills and resources to deliver support and provide the things that matter to our tenants. This includes government, via the Ministry of Housing and Urban Development, Auckland District Health Board, and the ACC investment fund, as well as the wider community housing sector and a range of amazing community support agencies. We are so pleased that we were able to bring the ACC joint-venture funding model to the sector and will continue to look at innovative ways to fund new public and affordable housing in association with partners.



This year we have also expanded our team to include Sean Boulton (Property and Asset Manager), Mahesh Khupse (Development Manager), Sumer Mahant (Project Manager), Tracey Moore (Head of Operations) and Tenancy Managers Toni McCracken and Carole Backhouse. These additions to the team, as well as our move to larger premises in Upper Queen St, speak to the sustained growth of CORT despite the challenges of the past few years.

Our mission has never been so critical. Housing remains one of the major issues our society is facing; while a slowing in house-price rises is expected this year, and despite record numbers of building consents, the issue of housing affordability and the severe shortage of affordable housing has not been solved. This will only be exacerbated by an expected downturn in the construction and development industry. Fortunately, we are part of the solution, and we are committed

Takanini Rd development.
This development has 9x 1-bedroom and 6x 2-bedroom units



IMAGE COURTESY OF: MINISTRY OF ARCHITECTURE+ INTERIORS

to continuing to grow and innovate to make the best contribution we can.

Someone who believes very strongly in this, and who worked tirelessly to put it into action, is our long-standing former chief executive Peter Jeffries, who has retired this year and into whose very large shoes I have stepped. Peter was with CORT since its founding in 1987 and his commitment to social justice and the positive impact of community never wavered. These principles will always guide our approach. Our actions will change over time as the needs of our community change, and the city grows and develops. The way we respond should change, but the values that underpin it will remain strong.

“Mā mua ka kite a muri, mā muri ka ora a mua”
Those who lead give sight to those who follow, those who follow give life to those who lead

Finally, I would like to acknowledge taonga gifted to CORT by Matua Hero Potini of Mahitahi Trust. This taonga is the Te Reo Māori forms of our job titles at CORT. I am privileged to have been gifted Pou Matua as CORT’s Chief Executive. These titles have been crafted with our work and values in mind, with a focus on the pou that support the CORT wharenui. As a team we have gratefully and humbly accepted these ingoa Māori as part of our shared commitment to uphold the principles of Te Tiriti o Waitangi.

Stephen Hart

Stephen Hart
Chief Executive – Pou Matua



CORT Project Manager –Muka Tārai **Sumer Mahant**

Sumer joined the CORT team in late 2021 as a project manager, overseeing the current tranche of developments under construction.

I have a Bachelor in Civil Engineering and a graduate diploma in construction project management. Prior to working for CORT I worked in the construction industry for various contractors and for a project management consultancy, on commercial projects such as apartment and retirement village construction.

When I finished my previous job I went overseas to see my family, but then Covid came along and I wasn't able to get back until October 2021. I was looking for work in the housing development industry and I also wanted to serve the community, so it all worked out for me when I was given this wonderful opportunity to work for CORT.

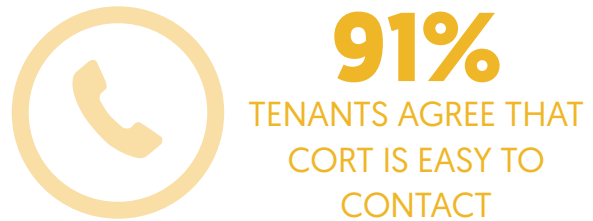
My role involves day-to-day contact with all the delivery partners: the consultants and contractors. I oversee the delivery of works, managing all aspects of the projects practically and financially.

My main driver is the purpose of the organisation: developing affordable, good-quality homes for people who need them. I also love the work culture. CORT has also been very supportive of my professional development, helping me to increase my capability. In this industry, lots of things are changing in terms of Healthy Homes standards and other regulations, so I have to keep up to date. The constant learning and professional growth are good things, but the biggest aspect of the work we do is making a positive impact on a lot of people's lives.

Key performance measures

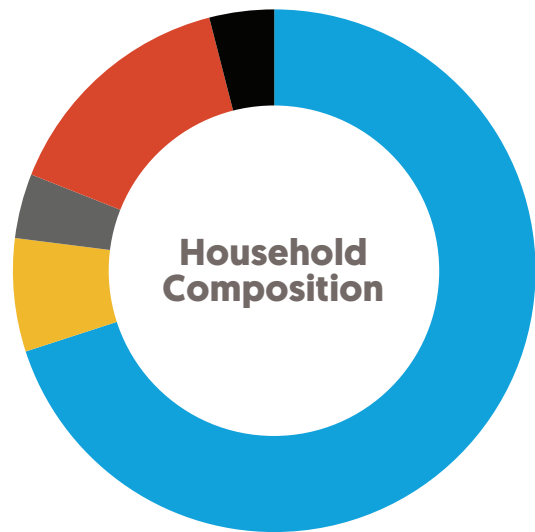
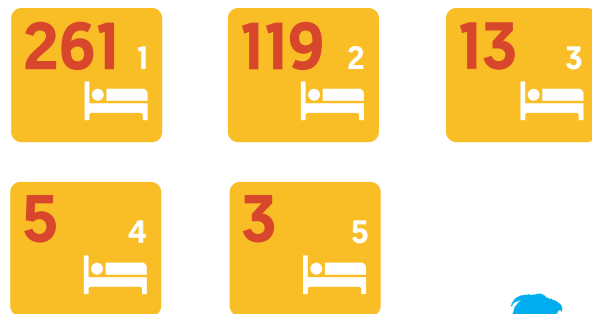
[last 12 months]

Tenant satisfaction statistics during 2021-2022



Full version of the 2022 Tenant Satisfaction Report available at www.cort.org.nz

Type of housing

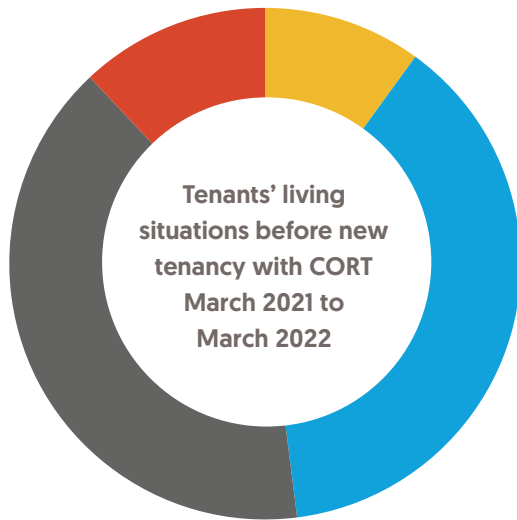


- single 70%
- couples with children 7%
- couples no children 4%
- single parents 15%
- shared house 4%



Average length of a CORT tenancy is 5 years 2 months

[excluding tenancies of less than 1 year]



- Supported housing 10%
- Homeless / or at significant risk 38%
- Transfer to more suitable property 40%
- Overcrowding / unsuitable housing 12%



- Asian 7%
- Māori 30%
- Pasifika 23%
- Pākehā 25%
- Other 15%



79 – new tenancies started in the last 12 months, including 35 transfers

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



While building our developments, CORT takes the time to think about what makes a house a good home for our tenants. CORT has engaged Beacon Pathway to produce reports on all of our new developments at least one year after our tenants have moved in. Below is some feedback from the tenants at our Sutton development on what they think makes their house a good home.

[To view the Beacon Reports visit cort.org.nz]

“My apartment is very easy to heat and dry.”

“I’m so privileged to stay and live in harmony with my new neighbours and respect them..”

“I like everything in this place, thank you for treating us well, health and safety are well organised. Thank you so much.”

“Nice and private and good size for me”

“I’m so thankful I actually have my own permanent place I now call home.”

“It is perfect for me. Sunny and warm. Feel safe”

“This is a perfect apartment. CORT has done excellent in design and building.”

Wayne's story

Wayne moved into his one-bedroom apartment at Puhinui Park in Manukau in September 2021, after several years in short-term accommodation.


In 2019, my job fell over and I ended up living in my car for four months. A friend helped me get a place in emergency housing, then I spent about 18 months in transitional housing, just trying to get myself well, as I had also found out I had type two diabetes and some other health issues.

When CORT gave me this opportunity, I couldn't wait to get out of there. I was feeling really down and depressed and needed to get away from that environment. I was really appreciative of being given my own space and a place to build myself back up again.

This has been a great place for me to grow as a person. My partner and I now have my cousin's baby in our care, and I've got a good job. I've got my

music equipment back and I'm playing in a country and western band every Sunday.

My tenancy manager, Alaina, has been so supportive. If there's anything I need to speak to her about, she's more than willing to be there and listen, and not only that but to actually resolve things. She's very proactive and I really appreciate everything she and CORT have done for me.



Being here has given me the security I needed to be able to concentrate on myself and my family, and move forward in my life.

Treasurer's report

The financial performance of CORT in 2022 remains strong, despite the challenges of Covid and wider constraints that affected the construction sector and the economy generally.

Net assets of the Trust at the end of 2022 were \$143 million, up from \$124 million in 2021. The increase of \$19 million was primarily due to higher property values and the completion of CORT developments, with the latter now treated as investment property. CORT's debt of \$54 million at the end of 2022 represented 27% of total assets of \$196 million. The prior year the debts represented 29% of total assets of \$176 million.

The joint venture between CORT and ACC, known as ACCORT, has made tangible progress in 2022. Properties were purchased and planning and construction has commenced. But it will take time before CORT's stake in the joint venture will have a material and positive impact on the Trust's earnings and balance sheet.

Managing cash flows is critical on a day-to-day basis, particularly when faced with external challenges. CORT nonetheless was able to efficiently manage cash flows, evidenced in cash and cash-equivalents of \$6m held at the end of 2022.

Work is 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 2022, with solid cash flows and a stronger balance sheet, leaves it well placed to continue to provide high quality and appropriate support for our clients.

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 2022

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	Stephen Hart
Trustees	Sue Watson (Chairperson) Jody Kilpatrick Zheyne Tahana Tony McNamara John Deyell Graham Davison Alexander Duncan (Treasurer) AK Yap
Bankers	ASB Bank Limited, Auckland
Auditors	RSM Hayes Audit Newmarket Auckland

Statement of comprehensive revenue and expenses

for the year ended 31 March 2022

	2022	2021
	\$	\$
Revenue from exchange transactions		
Rent received	2,523,886	2,713,074
Interest received	13,827	3,233
Revenue from non-exchange transactions		
ADHB contract income	1,084,588	572,849
Grant income	3,608,827	10,388,940
Rental subsidies	6,634,067	5,835,108
ACCORT income	535,346	160,032
Total revenue	14,400,541	19,673,235
Expenses		
Property expenses	2,546,789	2,046,522
Property lease expenses	1,844,010	1,835,570
Administration expenses	579,449	487,431
Personnel expenses	1,549,288	1,137,900
Finance costs	2,061,221	2,052,497
Depreciation	48,460	31,970
Loss on disposal of assets	76,269	[4,454]
Total expenses	8,705,485	7,587,437
Income from distribution from limited partnership	-	-
Net share of partnership surplus/(losses)	[27,703]	61,474
Unrealised net change in the fair value of investment properties	12,735,133	11,539,194
Surplus for the year	18,402,486	23,686,466
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	18,402,486	23,686,466

CORT's full audited financial report 2021-2022 available at cort.org.nz

Statement of financial position

as at 31 March 2022

	2022	2021
	\$	\$
Current assets		
Cash and cash equivalents	5,994,297	3,483,889
Accounts receivable	546,384	654,062
Prepayments	185,635	434,326
	6,726,316	4,572,277
Non-current assets		
Investment properties	189,000,000	170,704,999
Development work in progress	-	90,145
Plant and equipment	147,965	106,190
Investments	429,772	457,475
	189,577,737	171,358,809
Total assets	196,304,053	175,931,086
Current liabilities		
Sundry creditors	370,746	345,518
GST payable	9,435	7,164
Tenant funds	6,478	5,994
Conditional Grants	-	228,000
Loans	2,996,173	3,049,656
	3,382,831	3,636,333
Non-current liabilities		
Loans	50,276,004	48,052,021
Conditional grants	-	-
	50,276,004	48,052,021
Total liabilities	53,658,835	51,688,355
Net assets	142,645,218	124,242,732
Trust funds		
Retained earnings	64,176,527	58,509,174
Property reserve	78,468,691	65,733,557
	142,645,218	124,242,732

For and on behalf of the Executive Committee:



Chairperson

19th July 2022

Date



CEO

19th July 2022

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
- ASB Bank
- ASB Community Trust
- Auckland City Mission
- Auckland Community Housing Provider's Network
- Australian Housing Institute
- Bays Community Housing Trust
- Beacon Pathway Inc
- Buchanan Rehabilitation Centre
- Community Finance
- Community Housing Aotearoa
- Cornwall House CMHC
- Crossroads Clubhouse
- De Pail House
- Ember
- Emerge Aotearoa
- Equip Mental Health Services
- Habitat for Humanity
- Isa Lei
- Kahui Te Kaha
- Kāinga Tiaki
- Kāinga Ora
- Kiwibank
- Lifewise
- Link People
- Mahitahi Trust
- Manaaki House SMHC
- Matariki CMHC
- Ministry of Business, Innovation and Employment
- Ministry of Health
- Te Tūāpapa Kira Kāinga – Ministry of Housing and Urban Development
- Ministry of Social Development
- Monte Cecilia Housing Trust
- New Zealand Housing Foundation
- New Zealand Property Council
- Pathways
- Penina Health Trust
- Ponsonby Baptist Church
- Tamaki Collective
- Taylor Centre
- Te Mahurehure Marae
- Te Puea Memorial Marae
- Te Tumu Kāinga
- Te Whatu Ora
- The Salvation Army
- VisionWest Community Trust
- Westpac Bank

Electronic copies of this report are available on our website cort.org.nz

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