



Brisbane Housing Company Ltd

Annual Review 2009 - 2010

Together we made dreams come true



0910

Brisbane Housing Company Ltd



The representatives of BHC's shareholders attending the annual breakfast briefing that we held on 14th October heard a powerful story about an organisation that I am proud to Chair. It is a powerful story because:

- The homes that we are building are of the highest design quality;
- We are producing them quickly and cost effectively;
- We are housing those in high need, and doing it speedily;
- We are "capping" the rents to make sure that they are affordable;
- We are keeping a close eye on how things go so that rent arrears are very low;
- The tenants are telling us that they love their homes, and they are very satisfied with the services we provide;
- We are working closely with other charities such as Second Chance to help those making a new start in life;
- We will do everything we can to help tenants fulfil their potential by getting paid work.

What could be more important in today's turbulent world than providing the stability and dignity that comes from having a good place to live.

I am proud of what BHC is achieving.

But I also know that it is not enough. We have built 100 homes a year on average since we started this Company in 2002 and we will increase this output to 400 completions over the next financial year.

South East Queensland needs a lot more than this to house our growing population. The recent Growth Summit made it abundantly clear that we are losing this battle and that the consequences will be severe. High rents and housing shortages are just the start. There will be overcrowding, evictions and homelessness. When people get work it may well be far from the only affordable home that they can find. For many home ownership will be just a distant dream.

Is this the future we want for our community? I know it is not, but it is where we are heading.

I congratulate the State Government and the Brisbane City Council for their close collaboration with respect to the Growth Summit. This was a process in which the problems were acknowledged and discussed honestly. Action is now flowing on from the words.

BHC can play an important and growing role in this wider effort. We plan to increase our output of homes significantly.

When addressing our shareholders I spoke of my pride in the achievements of BHC. It is a team effort. I acknowledge my fellow directors, the staff and everyone that works with us in this important work. BHC is a happy place where good things get done. We innovate. We take pride in our achievements.

I commend this review to you.

Professor John McAuliffe AM
Independent Chair

November 2010

You're Home



MANDY'S STORY

Being one of the most modern and stylish looking places I'd been able to find within my price range, I decided to go ahead with the application and filled out all of the paper work and faxed it through to the Department of Housing.

SHANA'S STORY

I'm happy to report that I absolutely love my brand new apartment. It makes me sad that I have to leave it every morning to go to work.

LYNETTE'S STORY

I am very happy in my home and I want to stay here forever. I really appreciate what I have and God knows where I would be now without Brisbane Housing Company and Second Chance.

LAGATA'S STORY

BHC has given me the chance to be independent, to know myself and to be my own person.

KATIE'S STORY

This building was perfect for me. Close to transport for work and walking distance to the Valley.

MICHAEL'S STORY

My stable accommodation has enabled me to complete courses in business, computers, hospitality, responsible serving of alcohol and to qualify as a barista. I love making perfect coffees for the other residents.



CLAIRE AND SEBASTIAN'S STORY

Sometimes everything needs to collapse and then you can pick up the good bits to build something that is better - Brisbane Housing Company has helped me to do exactly that.

NEROLIE'S STORY

I have lived in New Farm/ Fortitude Valley for over 5 years and consider it my home. Unfortunately, with the great jump in rental prices and only a moderate increase in my income, I've slowly been priced out of the area. The NRAS program has meant that I can still afford to live in this area and make the most of what it has to offer.

The two biggest challenges for low to medium income earners who choose to rent in the inner city are stability and affordability. NRAS is helping people such as myself to feel secure that they are not going to be 'priced out' or 'pushed out' of their home within six months.

Thank you to our tenants for allowing us to use their images and quotes for this publications:

*Cover page:
Jessica, Ryan, Katie, Ryan, Nerolie, Kamal, Lagata, Delean and Jasleen.*

*Page 2:
Lynette, Michael, Claire, Sebastian, Mandy, Nerolie, Shana and Lagata.*

INNOVATION

Brisbane Housing Company in 2010

Brisbane Housing Company has come a long way. From a fledgling not for profit start up company to Queensland's largest affordable housing growth provider with a balance sheet in excess of \$200 million – the journey has been an evolutionary one!

In the beginning – single tenure

The Company's early years saw the development of a range of "single tenure" developments from specialized inner city projects such as Warry Street, Fortitude Valley to smaller suburban projects such as Ashton Street, Camp Hill that melded in seamlessly to the residential streetscape.



2004 - Welsby St

2008 - Earnshaw Haven

Moving on to mixed use

In 2006/2007 larger architect designed developments such as Musk Avenue and Hartop Lane incorporated elements of commercial space to complement the Urban Village area in which they were developed. This move into mixed use development fitted well with the company's commercial thrust and its commitment to high quality accommodation for its residents.

Master planning and more affordable housing

BHC undertook its first outer suburban land subdivisions in 2008/2009 master planning 4ha sites in both Nudgee and Richlands to include a mix of affordable housing and land for private market sale. All surpluses were injected back into the provision of further affordable housing.

Key workers, diversity and best practice

The introduction of the National Rental Affordability Scheme enabled BHC to further diversify its affordable housing product incorporating the provision of affordable rental housing to key and essential workers. The most recent BHC developments are award winning mixed tenure mixed use developments that have internalized best practice design and management principles.

At the end of the day Brisbane Housing Company is about providing homes. Homes that are affordable, livable, part of a mixed community and that provide a secure base for their inhabitants. Our journey over the past 8 years has been evolutionary – and with 1000 homes in just 8 years BHC looks forward to a future of continued growth.

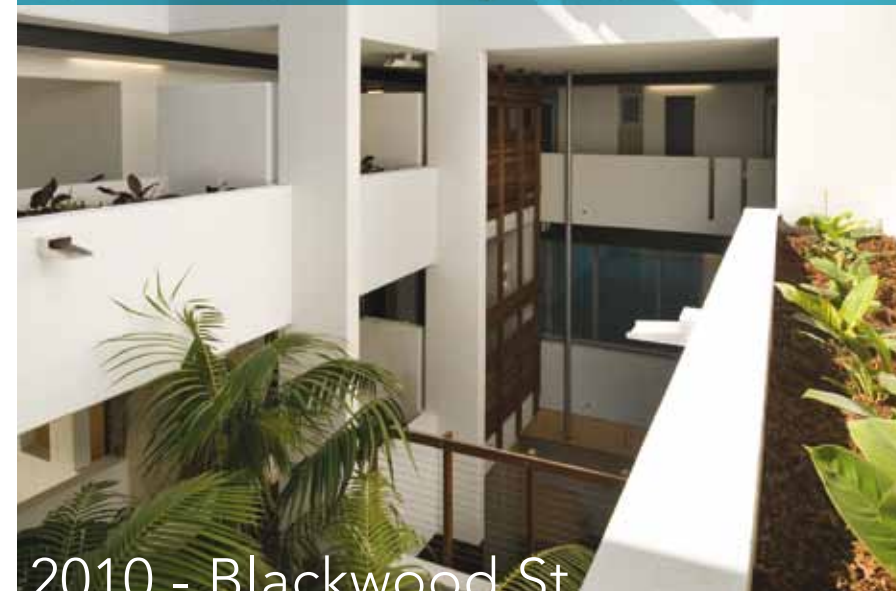
QUALITY

2006 - Hartopp Lane



2003 - Cardoss St

1000
in just
8 years
homes



2010 - Blackwood St

Brisbane Housing Projects 2002 - 2010

2010

1000 + HOMES

Blackwood Street Mitchelton (31 units); Kulgan Cct Richlands (21 units); Lavendar Street Inala (6 units); Masters Street Newstead (95 units); Carselgrove Avenue Fitzgibbon (tbc 64 units); Constance Street Fortitude Valley (tbc 80 units); Fitzgibbon Chase Fitzgibbon (tbc 22 units)

2009

708 HOMES

Colton Avenue Lutwyche (29 units); Thanbarran Place Richlands (39 units)

2008

640 HOMES

Earnshaw Road Nudgee (43 units); Hurworth Street Kelvin Grove (15 units)

2007

582 HOMES

Danby Lane Nundah (67 units); Musk Avenue Kelvin Grove (56 units); School Street Kelvin Grove (27 units)

2006

432 HOMES

Alderley Avenue Alderley (16 units); Hartopp Lane Kelvin Grove (42 units); Ramsgate Street Kelvin Grove (32 units)

2005

342 HOMES

Guthrie Street Paddington (50 units); Warry Street Fortitude Valley (104 units)

2004

188 HOMES

Lake Street Yeronga (34 units); Alford Street Newfarm (11 units); Ashton Street Camp Hill (21 units); Ryan Street West End (11 units); Terrace Street Spring Hill (20 units); Welsby Street New Farm (10 units)

2003

81 HOMES

Cardross Street Yeerongpilly (11 units)

2002

70 HOMES

Jeays Street Bowen Hills (70 units)

2009 - Colton Ave



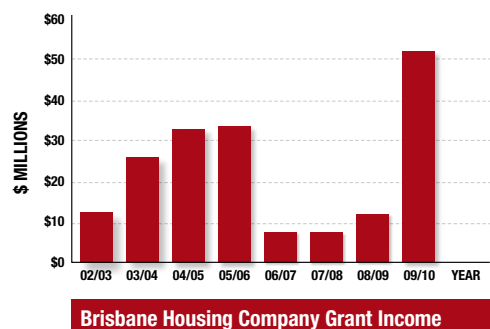
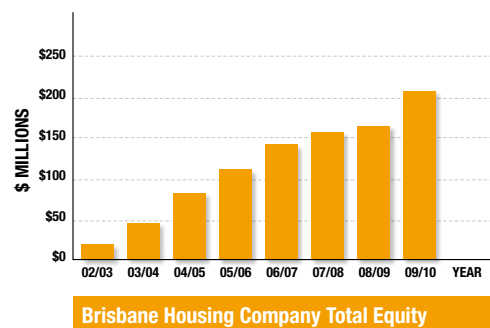
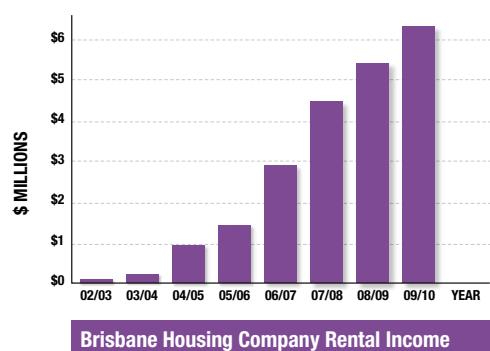
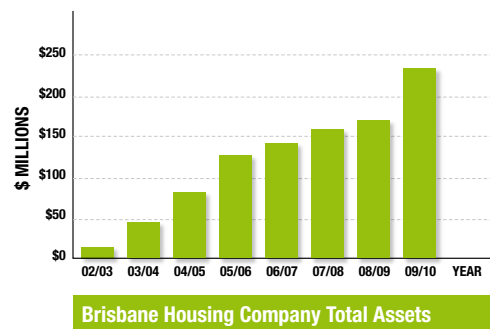
2005 - Warry St



2007 - Musk Ave



LIVEABILITY



Summary of Financial Operations 2009-2010

The Company continues to benefit from sustained growth as we utilise the grants provided by our Ordinary Shareholders – the State Government and Brisbane City Council.

- Since its incorporation, the Company has received \$114.4 million in grant funding from the State Government and \$18.1 million in funding from the Brisbane City Council. The Company has received \$54.1 million in funding from the Nation Building Social Housing Initiative.
- Revenue for the year was \$72.58 million a 225% increase on the previous year due to an increase in grant funding through the Nation Building Social Housing Initiative and revenue from land sales.
- Rent Income was \$6.42 million - 18 per cent increase on the previous year.
- Total Expenses increased by \$7.80 million on the 2008/09 results due largely to an increase in costs associated with land sales (\$7.2 million), property expenses (\$0.4million) and administration expenses (\$0.2million).
- The Company has a \$50 million credit facility with Westpac Banking Corporation as at the 30th June 2010 of which \$15.7 million has been drawn.

The Table of Key Financial Statistics (below) illustrates how the Company performed in the 2009/10 financial year, compared to previous financial years.

Brisbane Housing Company is audited by Grant Thornton Brisbane of 102 Adelaide Street, Brisbane Qld 4000.

Key Financial Statistics

Summary Statement of Financial Performance	2009/10 \$	2008/09 \$	2007/08 \$	2006/07 \$
Rent	\$ 6,421,860	\$ 5,431,317	\$ 4,523,166	\$ 2,939,897
Grants	\$ 52,416,523	\$ 12,488,943	\$ 7,000,000	\$ 7,000,000
Land Sales	\$ 12,620,909	\$ 4,045,091		
Other (Bank Interest & Sundry)	\$ 1,125,412	\$ 363,923	\$ 1,438,772	\$ 2,264,866
Total Revenue	\$ 72,584,704	\$ 22,289,874	\$ 12,961,938	\$ 5,204,763
Total Expenses	\$ 18,868,491	\$ 11,072,786	\$ 5,704,866	\$ 3,425,037
Net Surplus / Loss	\$ 53,716,213	\$ 11,216,488	\$ 7,257,072	\$ 1,779,726
Cash at the end of the Financial Year	\$ 29,391,278	\$ 11,933,399	\$ 13,284,715	\$ 23,150,903
Total Assets	\$237,312,153	\$167,618,367	\$160,335,765	\$141,554,894
Total Liabilities	\$ 25,678,048	\$ 8,225,518	\$ 4,811,070	\$ 544,055
Total Equity	\$211,634,105	\$159,392,849	\$155,524,695	\$141,010,839

PROFESSOR JOHN MCAULIFFE AM
"I was homeless and you sheltered me.

Brisbane Housing Company works quietly and efficiently to provide well located good quality buildings with durable materials for our tenants to call home."

JOHN GALLIMORE
"In 2003, 400 affordable dwellings seemed a daunting target, but BHC will have developed more than 1,000 units in the not too distant future, with creditable outcomes, universal respect for our model for development and having assisted an enormous number of tenants who, in many cases, had no-one else to turn to."

JAN WILLIAMS
"In growing BHC, we have placed a premium on design that meets our clients' needs including the need to feel proud of their homes and accepted in the community. This has been cost effective and promoted social inclusion."

ANN LANGLEY
"Growth provides opportunity.

I remember meeting a new tenant who was so excited that she had been accepted into university as a mature age student in a course she had always dreamt of doing. She was so thrilled to have the opportunity to study because now she had affordable secure accommodation. She said that her accommodation was of such a high standard and so conducive to studying. I believe this says it all about why BHC should continue to grow.

Greater opportunities for more tenants."

STUART GREGORY
"My BHC directorship has been a challenging one, as BHC is now a very substantial provider of affordable housing.

Good financial controls and good value for money are vital elements of our charter, to which the entire board is committed."

ELOISE ATKINSON
"Not just growth in number but growth in complexity.

In 2007 I went on a study tour and looked at a number of mixed tenure and mixed use developments. At that time Brisbane Housing Company developments generally only accommodated our target tenant group. Just two and half years later we haven't just grown in number of apartments but have developed projects with a much greater complexity. We responded quickly and innovatively to a different funding context and now our tenants are living in mixed tenure and mixed use buildings in some very impressive locations."



KEN GOUGH
"Brisbane Housing has been a wonderful journey into affordable Housing.

Brisbane Housing have a dedicated group of people who work tirelessly to produce quality accommodation and provide assistance to families in need."

GEOFF WOOLCOCK
"Amidst all the growth, it's important to keep being reminded of how safe and affordable housing transforms individual's lives..."

BEN FOSTER
"From my background in cost management I can appreciate that BHC are achieving a high level of value for all our stakeholders in the delivery of our projects, through quality design and competitive procurement systems."

COMMERCIALITY

SUSTAINABILITY

Making dreams a reality...

2,000 households assisted

Since BHC was incorporated in 2002 over 2,000 low income households have been assisted through our affordable housing portfolio.

Our future growth will provide an opportunity to assist many more.

By the end of 2010, BHC will have completed 1,000 homes. We will have completed almost 1,300 homes by the end of 2011 and be on track to complete over 1450 by 2012.



The future of Brisbane Housing Company is built on a strong foundation of quality, affordability, sustainability and innovation.

We are achieving our mission 'to work in partnership with local communities, service providers, charities and all levels of government to provide appropriate, secure and affordable rental housing in the city of Brisbane to people in need.'

"Amidst all the growth, it's important to keep being reminded of how safe and affordable housing transforms individual's lives..." - Geoff Woolcock

"Our goal is for our tenants to feel proud of their homes and be accepted in the community." - Jan Williams



Dedicated to a better Brisbane

Brisbane Housing Company takes this opportunity to acknowledge the funding received from the Commonwealth Government, Queensland Government and Brisbane City Council and the continued support of all our community shareholders.

Brisbane Housing Company

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BHC is a public company limited by shares, a public benevolent institution, an income tax exempt charity and deductible gift recipient.

GOOD DESIGN

