

2016|17  
ANNUAL  
REVIEW





# CELEBRATING 15 YEARS

## Letter from INDEPENDENT CHAIR

This year BHC celebrates its 15<sup>th</sup> anniversary. We have had many achievements over the past 15 years, with BHC building and managing over 1300 affordable tenancies, managing 250 properties under the NRAS investment scheme, selling over 300 homes into the market, and assisting over 5000 households with a place to call home. BHC has also proudly reached many professional milestones during this time, including numerous housing and architectural awards, joint ventures with respected organisations, and partnering with Department of Housing and Public Works to create purpose built housing for over 55's public housing tenants residing in under-occupied houses. See pages 3 and 4 for more of BHC's milestones and achievements.

Although we have much to celebrate, it is with sadness that after 15 years with BHC, we farewelled CEO David Cant. I have had the privilege of working with David for the past 10 years and strongly believe that BHC's achievements are a testament to David's exceptional leadership, driven by his overwhelming desire and passion to improve the lives of people by providing safe and secure affordable housing. We wish him all the best for the future and look forward to his next venture.

I would like to take this opportunity to welcome our new CEO, Stuart Lummis. Stuart brings with him a wealth of property development and management knowledge in both the not-for-profit and commercial sectors. With his established successes, I have every confidence that he has the attributes to work with all of our key stakeholders within government, the local community and the wider affordable housing sector. He understands our mission and values and is well placed to lead BHC to further success.

Over the past 15 years, BHC has sought innovative ways to deliver affordable housing to Brisbane residents and operate in a sustainable way, ensuring that we can remain a part of the Queensland Community Housing Sector well into the future. In December 2016, BHC was awarded a AA- rating by ratings agency Standard and Poor's (S&P). BHC is proud to be the first Community Housing Provider in Australia to achieve a global credit rating. This rating will give BHC the opportunity to explore diversified funding options to reach our 10 year strategic goal of producing 3000 homes for Queenslanders by 2026.

Although some may think us ambitious, we are well on track to reaching this challenging target, with the opening of our latest affordable housing development – Spectrum Apartments. Located in Lutwyche, Spectrum provides an additional 60 homes to BHC's portfolio. Next year the portfolio will continue to grow, with construction starting on three additional developments, located in Springwood, Enoggera and Sherwood. You can learn more about these properties on the back page of this report.

As we move forward into 2018, I look forward to seeing BHC continue to deliver its Vision; Creating Homes, Empowering Lives and Enabling Transformation.

I hope you enjoy this report.

Eloise Atkinson  
Independent Chair  
July 2017



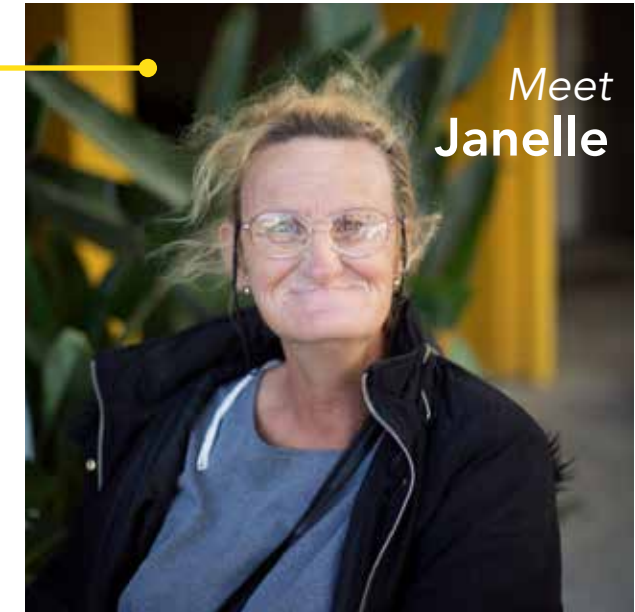
# OUR VISION

Creating Homes | Empowering Lives | Enabling Transformation

## Living with BHC for 13.5 years

Before coming to live with BHC, Janelle moved from place to place in the private rental market, living in properties that were unaffordable or unsuitable due to her disability. In January of 2004, Janelle moved into a BHC property at Ryan St, West End, before transferring to a ground level unit at Danby Lane, Nundah, which she now calls home.

Finding stable, long-term accommodation, has given Janelle the opportunity to complete two TAFE courses in Business and she is currently on the way to completing her third. Accessing secure and affordable housing with BHC "has been amazing" Janelle says, and she is looking forward to accessing additional support through the National Disability Insurance Scheme.

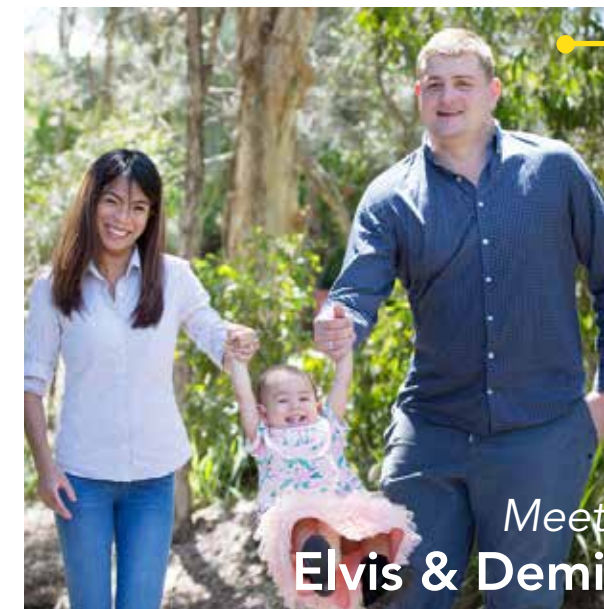


Meet  
Janelle

## Living with BHC for 7 years

There was a sense of relief and opportunity when Elvis found long term accommodation with BHC at the age of 18. After experiencing homelessness and uncertainty from a young age, living with BHC has given him a "good, stable place to go home to" Elvis says. Finding long term affordable housing has allowed Elvis the opportunity to find happiness and create his own family with his wife Demi. Moving from a studio to a one bedroom, and now living in a two bedroom unit at Ashton St, Camp Hill, the couple welcomed a baby girl, Matilda, in 2016.

Demi works as a nurse's assistant in the aged care sector while Elvis works from home doing IT and caring for their young daughter. The couple are also excited to announce that they are expecting again. Looking to the future, Elvis and Demi are hoping to find a larger home with a backyard where their children can grow and play; a future which may not have been possible without the foundation of stable, affordable housing.

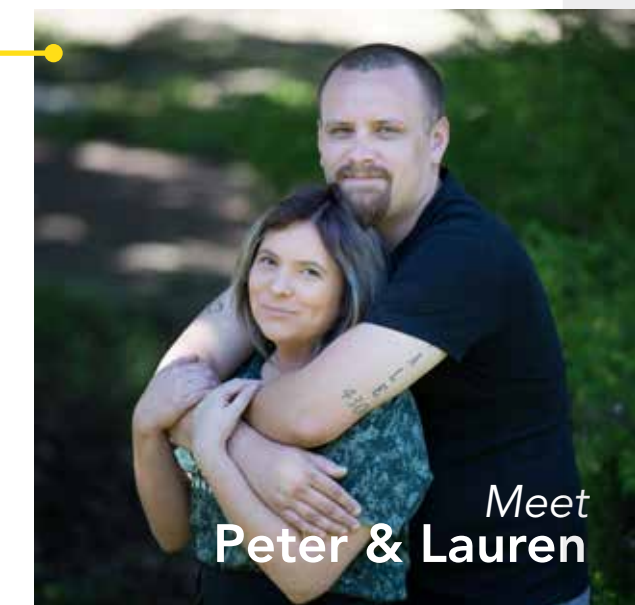


Meet  
Elvis & Demi

## Just moved in

New to BHC, tenants Peter and Lauren couldn't be happier about moving to their one bedroom unit in Isaac Street, Paddington. Being referred through the Department of Housing and Public Works, Peter and Lauren couldn't believe how quickly they were housed with BHC, after months of uncertainty couch surfing and living in their car. In their short time living with BHC, they already feel at home and a part of the community and are ready to give back.

Now that they have stable housing, both Peter and Lauren are excited to get back into the work force, begin saving and look to the future. "It all comes back to having a home" Peter says. With more possibilities opening up to them, Peter and Lauren are excited to continue living with BHC and are thankful for the support they have received, especially from their housing manager, to get them where they are.



Meet  
Peter & Lauren



# BHC THROUGH THE YEARS



**70 Homes**  
 Jeays St, Bowen Hills  
 David Cant, CEO  
 Kevin Seymour, Independent Chair



Brisbane Housing  
 Company established

**2002**

Professor John McAuliffe,  
 Independent Chair



**431 Homes**  
 Alderley Ave, Alderley  
 Hartopp Lane, Kelvin Grove  
 Ramsgate St, Kelvin Grove

**2006**



UDIA Winner for Excellence  
 in Affordable Housing 2008 -  
 Danby Lane, Nundah



**639 Homes**  
 Earnshaw Rd, Nudgee  
 Hurworth St, Bowen Hills  
 National Rental Affordability  
 Scheme (NRAS) introduced

**2008**



**1005 Homes**  
 Syrah, Mitchelton  
 Kulgan Cct, Richlands  
 Lavender St, Inala  
 Aris, Newstead  
 Carselgrove Ave, Fitzgibbon  
 Green Square, Fortitude Valley  
 Fitzgibbon Chase, Fitzgibbon

**2010**

UDIA Winner for Medium to  
 Large Density Development  
 2012 - Century, Kangaroo Point



**1504 Homes**  
 Eildon, Windsor  
 Daintree, Fitzgibbon  
 Cargo, Coopers Plains  
 Quadrant, Chermide  
 Century, Woolloongabba



Brisbane Housing  
 Company was rebranded  
 to BHC Creating  
 Liveable Communities



Gladstone Housing  
 Company established

**2012**



UDIA Winner for Excellence  
 in Affordable Housing 2016 -  
 Bowen Court, New Farm



**1723 Homes**  
 Spectrum, Lutwyche  
 Eloise Atkinson,  
 Independent Chair

**2016**

2002-2017

Hood St, Sherwood  
 Affordable Retirement  
 Living  
 Thornhill St, Springwood  
 Senior's Rental Initiative  
 Glenalva Tce, Enoggera  
 Elderly Parent Carer  
 Innovation Initiative

**2018  
 onwards**

**2003 - 2005**

**341 Homes**  
 Cardross St, Yeerongpilly  
 Lake St, Yeronga  
 Alford St, New Farm  
 Ashton St, Camp Hill  
 Ryan St, West End  
 Terrace St, Spring Hill  
 Welsby St, New Farm  
 Guthrie St, Paddington  
 Warry St, Fortitude Valley



Urban Development Institute  
 of Australia (UDIA) Queensland  
 Winner for Affordable Housing  
 2005 - Ashton St, Camp Hill

**2007**

**581 Homes**  
 Danby Lane, Nundah  
 Musk Ave, Kelvin Grove  
 School St, Kelvin Grove



UDIA Winner for Excellence  
 in Affordable Housing 2007 -  
 Hartopp Lane, Kelvin Grove

**2009**



**707 Homes**  
 Colton Ave, Lutwyche  
 Thanbarran Place, Richlands

**2011**

**1219 Homes**  
 Grantham Disaster Relief  
 Bonney Lane, Fortitude Valley  
 Richmond, Bowen Hills  
 Fitzgibbon Townhouses



UDIA Winner for Urban  
 Renewal 2011 - Syrah,  
 Mitchelton

**2013 - 2015**

**1663 Homes**  
 Bowen Court, New Farm  
 Caggara House, Mt Gravatt East  
 Shearwater, Gladstone  
 Fisher Crest, Gladstone



UDIA Winner for Excellence  
 in Affordable Housing 2015 -  
 Caggara House, Mt Gravatt  
 East



Australian Institute of Architects  
 (AIA) National Award for  
 Residential Architecture - Multiple  
 Housing 2013 and Shortlisted  
 in Housing, World Architecture  
 Festival 2014 - Green Square,  
 Fortitude Valley

**2017**

BHC Spectrum Office  
 Opens



First housing provider to be  
 awarded Standard and Poor's  
 global AA- credit rating

Stuart Lummis, CEO

"The need for affordable housing  
 in Australia and Queensland is  
 huge and, particularly with the  
 State Government's housing  
 strategy, I hope we are entering  
 a new era"

David Cant  
 BHC CEO, 2002 - 2017

\*Number of homes  
 indicates dwellings  
 constructed or  
 procured by BHC



# 2016|17

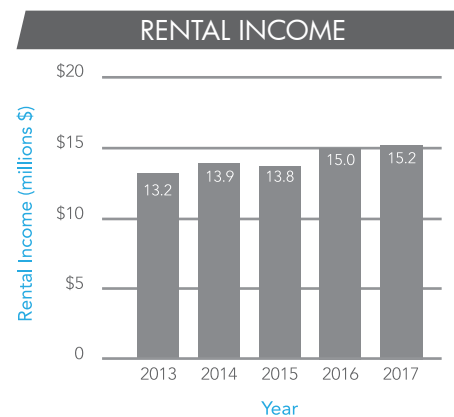
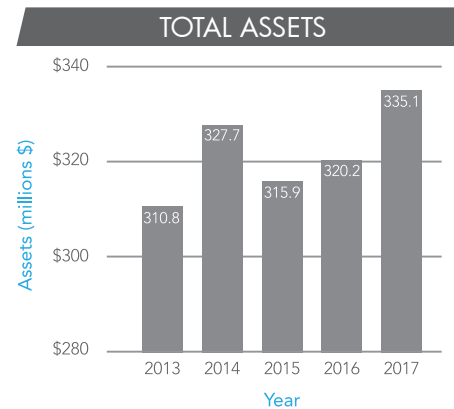
## FINANCIAL OPERATIONS SUMMARY

BHC maintains a strong financial foundation through the ownership of in excess of 1300 units with no debt and will continue to seek funding from all levels of Government to maximise its ability to meet the increasing demand for affordable housing.

2016/17 was a significant year for BHC as it received the accolade of becoming Australia's first provider of its kind to receive a AA- credit rating from international ratings agency Standard and Poor's. The high credit rating was based on BHC's low debt levels, experienced management, strong relationship with Government and a robust demand for its quality, affordable housing assets.

Revenue for the year was \$21.3 million which was in line with the previous year. Higher property sales for the year were offset by lower development grant funding. Expense for the year was \$23.6 million which was higher than the previous year due to the recognition of the cost of sales in the year.

Other Comprehensive Income increased during the year, reflecting the revaluation of the asset portfolio, and this contributed to a Total Comprehensive Income of \$8.3 million for 2016/17.



Summary Statement of Financial Performance	2016/17 '000	2015/16 '000	2014/15 '000
Revenue			
Rent	\$ 15,234	\$ 14,955	\$ 13,829
Grants	\$ 1,031	\$ 4,026	\$ 5,300
Property Sales	\$ 3,859	\$ 1,220	\$ 13,306
Other (Bank Interest & Sundry)	\$ 1,192	\$ 1,462	\$ 1,660
<b>Total Revenue</b>	<b>\$ 21,316</b>	<b>\$ 21,663</b>	<b>\$ 34,094</b>
Total Expenses	\$ 23,648	\$ 20,818	\$ 33,830
Revaluation of Property Assets	\$ 10,661	\$ 3,780	\$ 5,808
<b>Total Comprehensive Income</b>	<b>\$ 8,329</b>	<b>\$ 4,625</b>	<b>\$ 6,073</b>
Cash at the end of the Financial Year	\$ 28,137	\$ 22,597	\$ 27,659
Total Assets	\$ 335,088	\$ 320,245	\$ 315,945
Total Liabilities	\$ 10,242	\$ 3,729	\$ 4,053
<b>Total Equity</b>	<b>\$ 324,846</b>	<b>\$ 316,516</b>	<b>\$ 311,892</b>

BHC is audited by Grant Thornton Brisbane, 145 Ann Street, Brisbane Qld 4000

# BHC SKILL BASED BOARD OF DIRECTORS

## Eloise Atkinson

Eloise is an architect with more than 20 years' experience in design and advocacy for public and affordable housing, working with local and state governments, community organisations and private developers. She is a Director of the multi-disciplinary design practice Deicke Richards.

"BHC has proved over the last 15 years that we are a highly respected developer of well-designed, affordable homes and communities. The challenge now is to use that wealth of experience to deliver more housing at a greater rate to assist more people. While affordable rental housing will always need subsidies, we are moving to an era where new innovative funding opportunities need to be seized."



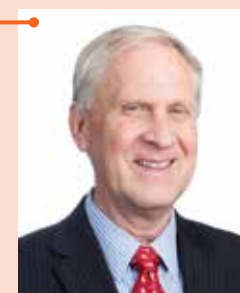
## John Gallimore

John is a long-time Partner of and now a Consultant to a leading law firm, and also a Board Member of Multicap, a disability services provider.

"BHC has been unique and leading-edge in the affordable community housing sector in Australia for 15 years.

My vision is for it to maintain its preeminence in innovative design, client-focused and responsive service provision and care by and for its staff - thereby transforming the lives of people who often have no or few other housing options.

I want BHC to remain at the forefront of creativity and excellence, and looking to at least double its portfolio in the next 5-10 years."



## Stuart Gregory

Stuart has over 30 years' experience in professional services as both a Finance Director and Chief Executive, with a wide array of skills in Finance, Administration and Business Management.

"With government grants of cash and land potentially harder to come by in the future, BHC is developing new and innovative financial models so that it can continue to build affordable homes and meet its objective of 3000 units of affordable housing by 2026.

We will also ensure that both public and private money invested in affordable housing is used most effectively to maximise the benefit for the greatest number of people."



## Geoff Woolcock

Geoff Woolcock is a Senior Research Fellow at the University of Southern Queensland, and an accomplished academic at several other Universities. Geoff is an experienced social researcher, with 28 years' community-based research experience nationally and internationally.

"My vision is building and maintaining quality affordable homes for people in need so that they get the best opportunity to fully participate in society. In so doing, BHC will significantly contribute to the growing body of global evidence demonstrating provision of affordable and sustainable housing is clearly the most cost effective prevention strategy any nation state can invest in."



## Julie Heckenberg

Julie holds over 25 years' experience in leadership and organisational development, education and training at both enterprise and government levels.

"We believe both BHC's success and our tenants' satisfaction are interdependent. For our tenants we strive for a future where they are proud of their home with BHC, which accommodates their current needs and future progress, have access to support and opportunities to enhance their quality of life and be engaged and connected to their community. As an organisation we hope to be recognised as a leader in the provision of innovative housing solutions, be a landlord of choice, and be operationally and financially sustainable."



## Ben Foster

With 20 years of experience within the construction industry, Ben is currently a Director of the Queensland consultancy firm Steele Wrobel.

"As BHC moves forward we will need to continue to be a creative business looking for unique opportunities to develop further housing. While maintaining a solid partnership with government, we will seek to develop new partnerships with the financial business community to identify alternative funding sources that will support significant growth in development. The outcome being to help more people improve their lives by providing the stability of a secure, quality home and enabling them to positively connect with their community."



## Kirsty Smith

Now Managing Director of Kelen Property, Kirsty Smith has years of experience in both project delivery and business leadership within the property industry following an early career in finance and business management roles.

"My vision for BHC is to see our business continue to create homes and manage places that provide our residents with a place they can be proud to live, and within which they can feel safe and connected to their local community without experiencing significant financial stress. Our innovative mindset and methodology will ensure our business can continue to increase the supply of affordable housing in a self-sustaining manner into the future."



## Stacey Ross

Stacey is the Manager of Logan Women's Health & Wellbeing Centre Ltd. and the Co-founder of BE Enterprise with over 19 years' experience in the social sector.

"My vision for BHC is to see it thrive in supporting those most in need of housing, to face of challenges head on and become a diverse, robust and innovative service.

I would love to see BHC enter into the world of social enterprises and become leaders in changing the housing sector for the better."



## Les Jones

Les is a retired Grant Thornton Partner with a wide involvement in not-for-profit organisations.

"My vision for BHC is the continued growth as a sustainable affordable housing company individually or with suitable government and other not-for-profit partners, with the aim of 3000 affordable homes by 2026 and a range of homes catering for the needs of individuals in different age groups and including those with disabilities."



# PLANNED DEVELOPMENTS

## Thornhill Street, Springwood

In partnership with the Department of Housing and Public Works, the planned development in Thornhill Street, Springwood will provide 35 "Gold and Platinum Liveable Housing Design Standard" one-bedroom units (with multi-purpose room). The units will be purpose-built for Logan public housing tenants over the age of 55 who are wishing to downsize, and builds on the success of BHC's over 55's development, Caggara House.

Construction expected to commence March 2018

## Glenalva Terrace, Enoggera

In partnership with the Department of Communities, Child Safety and Disability Services and the Department of Housing and Public Works, the planned development in Glenalva Terrace, Enoggera will be built as a part of the Elderly Parent Carer Innovation Initiative (EPCII). Conveniently located behind the Enoggera Bus and Rail Exchange, the development will deliver 10 "Gold Liveable Housing Design Standard" one-bedroom units for people living with a disability.

Construction expected to commence January 2018

## Hood Street, Sherwood

The planned development in Hood Street, Sherwood heralds BHC's first venture into affordable retirement living. The 52 one and a half and two bedroom apartments will be constructed to "Gold and Platinum Liveable Housing Design Standard" and will capitalise on BHC's expertise in the development of seniors accommodation. The Hood Street development also represents our first complex in the inner Western suburbs of Brisbane.

Construction expected to commence March 2018



*"Celebrating 15 Years": Tenants of Seniors Development Caggara House, with David Cant.*

## ANNUAL REVIEW 2016|17

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Trading as BHC Creating Liveable Communities

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*Dedicated to a better Brisbane*

BHC takes this opportunity to acknowledge the funding received from the Commonwealth, Queensland Government and Brisbane City Council and the continued support of all our community shareholders. BHC is a public company limited by shares, a public benevolent institution, an income tax exempt charity and deductible gift recipient.

All images within this publication are of BHC tenants, families and properties. We thank our tenants and investors for their generous input.

