



2018-2019
Annual Review



Artist impression

WELCOME

From the Independent Chair

It is with great pleasure that I present to you BHC's Annual Review for 2018/2019. This year we farewelled outgoing CEO, Stuart Lummis. During his time as CEO Stuart brought extensive development experience, introduced some great commercial partnerships and oversaw the implementation of our new business areas, including our not-for-profit real estate agency Elevate Residential and Arbor Sherwood, our first affordable retirement offering. I'd like to take the opportunity on behalf of BHC and the Board, to thank Stuart for his contribution to BHC's mission of creating more affordable homes for Queenslanders in need of affordable housing.

Last year we were proud to announce that BHC had been successful in securing a \$28m funding deal under the Department of Housing and Public Works' Partnering for Growth initiative, that we will leverage to create an additional 682 affordable homes. The initiative contains a range of measures that will free up the community housing sector and support well-targeted growth, renewal and innovation in affordable housing. This will ultimately lead to more stable, affordable homes for Queenslanders, including people with disabilities, families, key workers, young people and seniors. We are proud to be the first community housing provider in Queensland to have secured a Partnering for Growth agreement, and we invite you to find out more about our five-year program on Page 3.

During the first few months of 2019, we officially opened not one, but two new developments in the BHC portfolio, welcoming 48 new tenants into their new BHC homes. In March we opened Jingeri, our 10-unit complex at Glenalva Tce (Enoggera), with Member for Ferny Grove the Hon. Mark Furner.

Jingeri was developed under the Queensland Government's Elderly Parent Carer Innovation Initiative, providing purpose-built accommodation for people living with a disability who were previously residing with elderly parents.

Soon after, we opened the doors to Benson Place in Springwood, specifically designed for seniors downsizing from their public housing properties in the Logan area. We were thrilled to have Minister for Housing and Public Works and Member for Springwood, the Hon. Mick de Brenni, officially open the 35-unit complex. Find out more about this development and its residents on Page 5.

Finally, I'd like to congratulate Rebecca Oelkers on her recent appointment as BHC's Chief Executive Officer. Rebecca has been the driving force behind many significant strategic growth and operational initiatives, having held various leadership roles within BHC for over 10 years. The Board and I have full confidence in Rebecca's ability to lead BHC into a new era of evolution, innovation and growth. The scale of need for affordable housing continues to increase and our sector needs leaders like Rebecca who are passionate about achieving lasting change and delivering better outcomes for the many Australians who still do not have a safe, affordable place to call home.

We look forward to working with all our partners over the coming year, to create the very best housing opportunities for the Brisbane community.

Thank you and I hope you enjoy this report.

Eloise Atkinson
Independent Chair

UNDER CONSTRUCTION

Arbor Sherwood

We are excited to see our affordable retirement village, Arbor Sherwood, in its final stages of construction and almost ready for its new residents. Arbor Sherwood is the first development under BHC's expansion into the affordable retirement living market, with apartments offered at an affordable buy in price-point. The architecturally designed four-level development consists of 52 one and two-bedroom (plus study) apartments, constructed to Gold and Platinum Livable Housing Design Standard and providing a range of community facilities for residents to enjoy.

Stay tuned for a full update on Arbor Sherwood and its new residents in our 2019/20 Annual Review.



ARBOR
· SHERWOOD ·
RETIREMENT VILLAGE
arborsherwood.com.au



Deposits
on apartments



December 2019
construction due
for completion



January 2020
first residents
to move in

PARTNERING FOR GROWTH

Shaping the future of community housing delivery in Queensland

Partnering for Growth is the Queensland Government's commitment to create a new framework for social and affordable housing delivery, in collaboration with the community housing sector. The initiative is part of the Department of Housing and Public Works' *Queensland Housing Strategy 2017-2027*, unlocking \$2 billion of investment in the sector and creating a strong platform for growth and service enhancement. The partnership will see the implementation of modernised funding arrangements, assisting community housing providers to ramp up their delivery of new affordable homes for Queenslanders.

BHC was the first provider to reach an agreement under Partnering for Growth, securing a \$28m capital injection from the Department. BHC has leveraged the State's investment to create a \$55m development pipeline, with a commitment to securing further additional investment that, in total, will deliver 682 affordable homes over the next five years. Importantly, this pipeline will also stimulate ongoing economic activity for Queenslanders, delivering 2,450 jobs for the local community between 2019-2023.



STREAM 1
332 new homes delivered under Partnering for Growth with DHPW

70
Affordable Homes for Purchase, including shared equity program

90
New Community Housing Homes

172
BHC Affordable Rentals

STREAM 2
350 new homes working with the Queensland community

200
New Build to Rent Homes

120
BHC Retirement Living Homes

30
New Disability and Responsive Homes

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Everybody is so nice, everyone respects and understands each other

- Amina,
Springwood
resident



Benson Place, Springwood



INTRODUCING

Benson Place, Springwood

Completed in February 2019, Benson Place was developed in partnership with the Department of Housing and Public Works. This \$10.5m development delivers 35 one bedroom apartments with multi-purpose room, built to Gold and Platinum Livable Housing Design Standard.

Benson Place is named after Colleen Benson, in recognition of her contributions over the past 27 years to the Springwood community through the local community centre, Logan East Community Neighbourhood Association Inc.

Benson Place offers seniors an opportunity to downsize from larger public housing properties in the local area to highly accessible, purpose-built residences. The location provides excellent access to both transport networks and local shops, as well as ensuring residents are in close proximity to a range of services and facilities which support independent living and integration within the community.

Within a few short months at Benson Place, the bonds between residents have grown and a strong, welcoming community has formed. The common room is now a hub for connection and a cuppa, with residents coming together often to share stories, support each other and enjoy one another's company. The sense of community and friendship amongst residents has truly made Benson Place a worthy namesake for Colleen Benson. BHC is proud that this development has not only provided a new place to live for its residents but most importantly, it has created a home.

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We are more than happy with our new home, our only regret is that we should have moved sooner!

- Donald and Sandra,
Springwood residents

2018/19

Financial Operations Summary

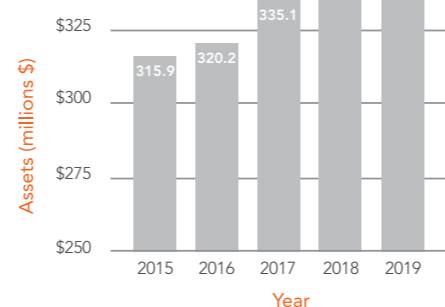
BHC continues to maintain a strong financial foundation through the ownership of more than 1,400 units with no debt.

Revenue for 2018/19 was \$25.1 million which was higher than the previous year and was primarily attributable to higher government grant revenue during the year. The higher rental revenue in 2018/19 was due to two projects that commenced tenancing during the period (Glenalva Terrace, Enoggera and Thornhill Street, Springwood). Expenses for 2018/19 were \$21.7m which was higher than the previous year, arising from the additional property costs with the two new projects together with increased fire safety compliance costs.

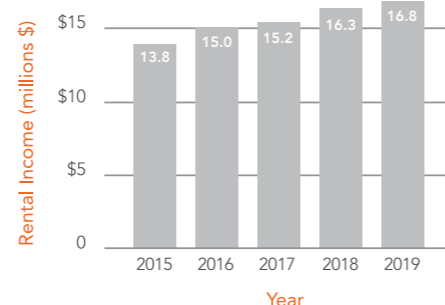
During 2018/19 BHC invested over \$16 million in the construction of three new affordable housing developments, one of which (Hood Street, Sherwood) remains under construction with completion expected in December 2019.

BHC's AA- credit rating was reaffirmed by Standard and Poor's during the year. BHC will continue to explore alternative funding options to increase the supply of affordable housing, including potentially accessing long-term funding via the National Housing and Finance Investment Corporation's (NHFIC) new bond aggregator and also utilising BHC's existing bank debt facility.

TOTAL ASSETS



TOTAL RENTAL INCOME



Summary Statement of Financial Performance	2018/19 '000	2017/18 '000	2016/17 '000
Revenue			
Rent	\$ 16,889	\$ 16,260	\$ 15,234
Grants	\$ 6,988	\$ 4,172	\$ 1,031
Property Sales	–	–	\$ 3,859
Other (Bank Interest & Sundry)	\$ 1,195	\$ 1,143	\$ 1,192
Total Revenue	\$ 25,072	\$ 21,575	\$ 21,316
Total Expenses	\$ 21,678	\$ 19,982	\$ 23,648
Revaluation of Property Assets	\$ 8,888	\$ 6,241	\$ 10,661
Total Comprehensive Income	\$ 12,281	\$ 7,835	\$ 8,329
Cash at the end of the Financial Year	\$ 16,150	\$ 27,664	\$ 28,137
Total Assets	\$ 349,263	\$ 341,486	\$ 335,088
Total Liabilities	\$ 4,301	\$ 8,805	\$ 10,242
Total Equity	\$ 344,962	\$ 332,681	\$ 324,846

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



BACK (L-R): Geoff Woolcock, John Gallimore, Stacey Ross, Ben Foster, Les Jones, Stuart Gregory
FRONT (L-R): Julie Heckenberg, Eloise Atkinson, Kirsty Smith

BHC SKILL BASED

Board of Directors

Eloise Atkinson - Independent Chair

Eloise is an architect with over 25 years' experience in the design of public and affordable housing, and education and has worked with clients in the Queensland Government, community organisations and private sector.

Eloise is the Independent Chair of BHC, contributing to the sector through research and advocacy and is a Churchill Fellow. In her role as Director of design practice Deicke Richards, her broad knowledge of housing and development models also contributes to the practice's work with commercial, not for profit and faith-based providers of aged care and seniors living.

John Gallimore

A long-time Partner in a leading law firm, John is now a Consultant to that firm and is a Board Member of Multicap. John is a former Board Member of Queensland Sudden Infant Death Research Foundation and has had various roles in the Anglican Church in Brisbane. John is a State Government appointed Director of BHC and is a member of BHC's Property and Audit & Risk Committees.

Geoff Woolcock

Geoff is a Senior Research Fellow at the University of Southern Queensland's Institute for Resilient Regions, and an Adjunct Associate Professor at Griffith University and University of the Sunshine Coast. Geoff has 30 years' community-based research experience nationally and internationally in the housing, youth and health sectors. Geoff is a board director of the Australian National Development Index (ANDI) and Logan Child-Friendly Community Ltd, and is a member of BHC's Tenancy Management Committee.

Les Jones

Les is a retired Grant Thornton Partner with extensive involvement in not for profit organisations. At Grant Thornton, Les headed up Assurance Services and was the Office Managing Partner for five years.

Les has been a Director of various not for profits and contributed to the Professional Education program for the Australian Institute of Chartered Accountants. Les is Chair of BHC's Audit & Risk Committee and a member of the Finance Committee.

Julie Heckenberg

Julie holds over 25 years' experience in leadership and organisational development, and education and training at both enterprise and government levels. Julie has successfully translated her skills to the community sector through her work as Founder and Interim Board Member of Under 1 Roof. Julie is the Chair of BHC's Tenancy Management Committee and a member of the Catalyst Board.

Kirsty Smith

Kirsty is Managing Director of Kelen Property. Previously CEO for the City of Brisbane Investment Corporation, Kirsty was responsible for its property development and investment strategies. Her property experience across both public and private sectors follows an early career in finance and business management roles. Kirsty is a member of the Queensland Divisional Council of the Property Council of Australia and a member of BHC's Property Committee.

Stuart Gregory

With over 30 years' experience in professional services as both a Finance Director and Chief Executive, Stuart has a wide array of skills in Finance, Administration and Business Management. Stuart is the Brisbane City Council appointed Director and is the Chair of BHC's Finance Committee and a member of the Audit & Risk Committee.

Ben Foster

As a professional Quantity Surveying consultant Ben has worked within the construction industry for over 30 years. Ben is currently a Director of the Queensland consultancy firm Steele Wrobel, after many years working on a range of large-scale social infrastructure projects for Government and private enterprise. Ben has also held positions including that of chapter president for the Australian Institute of Quantity Surveyors. Ben is the Chair of BHC's Property Committee.

Stacey Ross

Stacey is a Director and CEO of The Centre For Women & Co. specialising in domestic and family violence and women's wellbeing services. With over 19 years' experience in the community sector Stacey is passionate about community development at a grassroots level, she leads with integrity and has an endless desire to empower others to reach their full potential. Stacey is a State government appointed Director and is a member of BHC's Tenancy Management Committee.

“ After three disappointing experiences with other agents, we listed our property with Elevate. Their proactive approach helped ensure that the property was quickly prepared and detailed for the new tenants.

- B. Murdoch, Landlord

ELEVATE RESIDENTIAL

Changing Brisbane Real Estate for Good

Elevate Residential is BHC's fully licenced real estate agency, offering sales and property management services across Brisbane. 100% of Elevate's profits are directed to BHC, to assist BHC to deliver its mission of Creating Homes, Empowering Lives, Enabling Transformation.

The end of June 2019 marks almost one year since Elevate Residential opened its doors - and what a year it has been. Since welcoming Chris Meadmore (Principal Licensee) and Paige Browning (New Business Investment Manager) in 2018, Elevate Residential has been delivering outstanding property management and sales services for property owners across Brisbane.

With an initial focus on property management, Chris and Paige carefully shaped the business from the ground up, with Elevate quickly becoming known to its growing client base for professionalism, integrity and results. A successful expansion into residential sales in the second half of the year enhanced the service offering for clients and brought additional revenue to the business, assisting with the first year financial results.

Elevate was fortunate this year to partner with creative agency *NickDidThis*, supercharging our branding and marketing strategy and developing a series of eye catching images that were used to communicate the Elevate difference in a campaign that aired across a variety of digital platforms online, and in locations across Brisbane.

Growth of both the sales and property management services will be the focus for the coming year, with the Elevate team and the broader BHC group continuing to build the profile of the business in the competitive real estate market and amongst property industry colleagues. Principal Licensee Chris Meadmore says "Elevate has achieved a fabulous first year result, with many, many happy clients, and a clear path for growth that will support the very best outcomes to be achieved for our property owners, and therefore for BHC and its tenants."

“ I have been very happy with Elevate's management of my rental property. They communicate quickly and efficiently to all aspects of management

- T. McKinnon, Landlord

elevate
RESIDENTIAL



Jingeri, Enoggera

UPCOMING DEVELOPMENTS

Cornwall Street, Woolloongabba

The Cornwall Street development in Woolloongabba will be the first project delivered by BHC under our Partnering for Growth agreement with the Department of Housing and Public Works (DHPW).

Located centrally in Woolloongabba, Cornwall Street will provide opportunities for residents to live in a well-connected, urban community with close proximity to the CBD, transport networks and medical facilities.

This new community will create 32 homes for Queenslanders in housing need, including five homes specifically reserved for younger tenants.

Construction is expected to commence in early 2020.

ANNUAL REVIEW 2018/19

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Queensland
Government



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.

