

URBAN PLUS GROUP

FUNCTION · STRATEGY · DELIVERY

Presentation to HCC Mayor & Councillors
February 2020

FUNCTION · STRATEGY · DELIVERY

- **Function:** Develop housing options for the low income elderly by purchasing existing and building new social housing.

- **Strategy:** 2016 strategic plan, revised in 2018
 - Portfolio rationalisation
 - Strategic acquisition of land
 - Projects of scale
 - Medium density, positive urban design
 - In-house construction management
 - Assist in achieving shareholders 6,000 homes Urban Growth Strategy target.

- **Delivery:** What we have done & are doing
 - Completed two scale projects - \$7.5m pre-tax profit
 - Two developments, both in construction phase – forecast \$8.5m pre-tax profit 20/21 FY
 - Portfolio Growth:
 - 45 units acquired in 2019
 - 10 new builds in Petone
 - 29 new builds in Taita
 - Exploring funding and partnership options for social housing (more / faster)
 - Looking for existing property acquisitions appropriate for our portfolio
 - HomeStar 6 rating options & carbon zero consideration.

COMPLETED PROJECT

FAIRFIELD WATERS

- 20 x homes, of mixed housing typologies
- \$3m pre-tax profit
- Testing medium density design
- 30% below \$400k

Glen Evans Crescent
Fairfield (2016-2017)



URBAN PLUS
PROPERTY THAT BUILDS COMMUNITIES

COMPLETED PROJECT



PARKVIEW

- 24 x standalone houses
- Traditional Hutt product
- \$4.51m pre-tax profit

Jessie Donald Way
Avalon Park (2018-2019)



CURRENT PROJECT

CENTRAL PARK ON COPELAND

- 34 x townhouses
- \$550k – affordable home
- \$4.5m pre-tax profit
- Programmed completion by end of 2020
- Density – market proven
- 10 houses targeted to first home buyers

Former Copeland Street Reserve
Epuni (2019-2020)



CURRENT PROJECT



- 27 x townhouses
- \$535k - affordable
- \$4m pre-tax profit
- Programmed completion by end of 2020
- HomeStar 6 rating
- Density
- 5 houses targeted to first home buyers

**Freyberg Street
Waterloo (2019-2020)**



CURRENT UPL RESIDENTIAL PORTFOLIO

- 190 Units
- 99% occupancy
- Av. Portfolio age is 35 years
- 90% one bedroom units
- Ongoing programmed upgrades
- Challenge to keep rents low
- Target 85% of market rents (2019)
- Current draft SOI target is 80%



CURRENT PORTFOLIO

38 Britannia Street, Petone

- 2019 market purchase
- Positive outcomes
- Partner with City Mission for transitional housing
- Alternate UPL use as new format residential accommodation (common area) for portfolio



CURRENT PORTFOLIO

17 Britannia Street, Petone

- 2019 market acquisition
- 27 x studio units
- Upgrade programme for existing units
- Development infill project (x10 additional)
- High amenity value for tenants



CURRENT PORTFOLIO

Molesworth Street, Taita

- Amalgamation of sites
- 29 x units
- Better yield/efficiencies
- Either hold or on-sell options
- Exploring partnerships with CHPs for management and ownership structures



FINANCIAL PERFORMANCE

EQUITY	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
	(Actuals)	(Actuals)	(Forecast)	(Forecast)
Earnings Before Depreciation	701,664	750,462	8,431,705	9,522,031
Share Capital	15,300,000	15,300,000	15,300,000	15,300,000
Revaluation Reserve	12,440,377	16,839,954	21,918,000*	27,758,000*
Total Equity	21,951,187	26,472,709	39,344,000	48,984,000

* Assumes housing price growth of 15% per annum

UPL LIMITED PARTNERSHIP PROJECTS		
PROJECT	PRE-TAX PROFIT	HOMES BUILT
Fairfield Waters	\$3m	20
Parkview, Avalon	\$4.5m	24
Central Park on Copeland	\$4.5m (forecast)	34
The Lane, Waterloo	\$4m (forecast)	27
	\$16m	105

SUMMARY

■ **Future Outlook:**

- Continue to grow portfolio (OR)
- Develop social housing for on-sell to CHPs (or others)
- Continue with profitable, market release projects to generate funds.

■ **Constraints:**

- Access to good land for development
- Cost of building is increasing
- Capital / Funding (CHP partnerships could help resolve).

COMMUNICATION PLATFORMS



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