

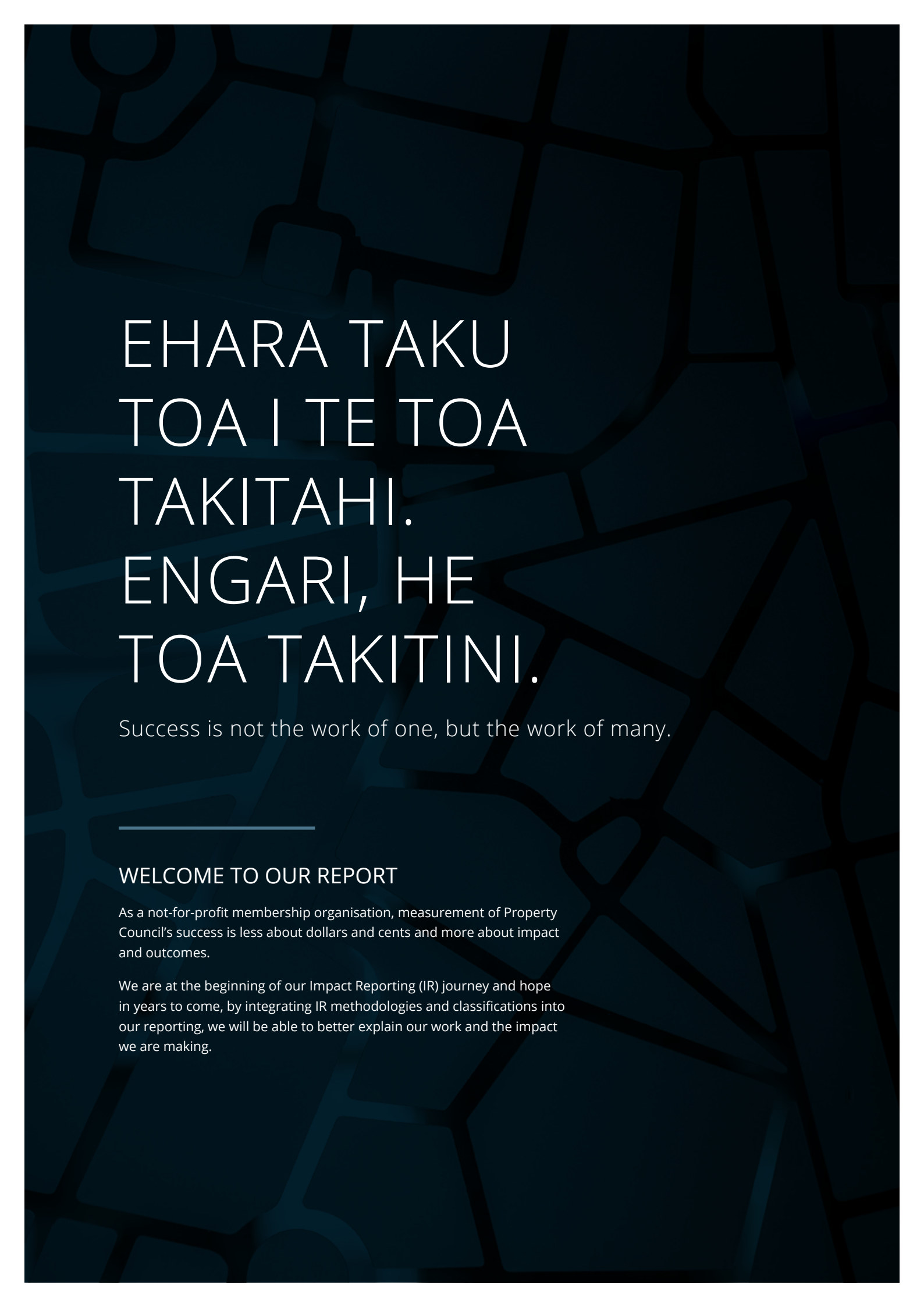
Property Council  
New Zealand



# ANNUAL REPORT

2018/19





# EHARA TAKU TOA I TE TOA TAKITAHU. ENGARI, HE TOA TAKITINI.

Success is not the work of one, but the work of many.

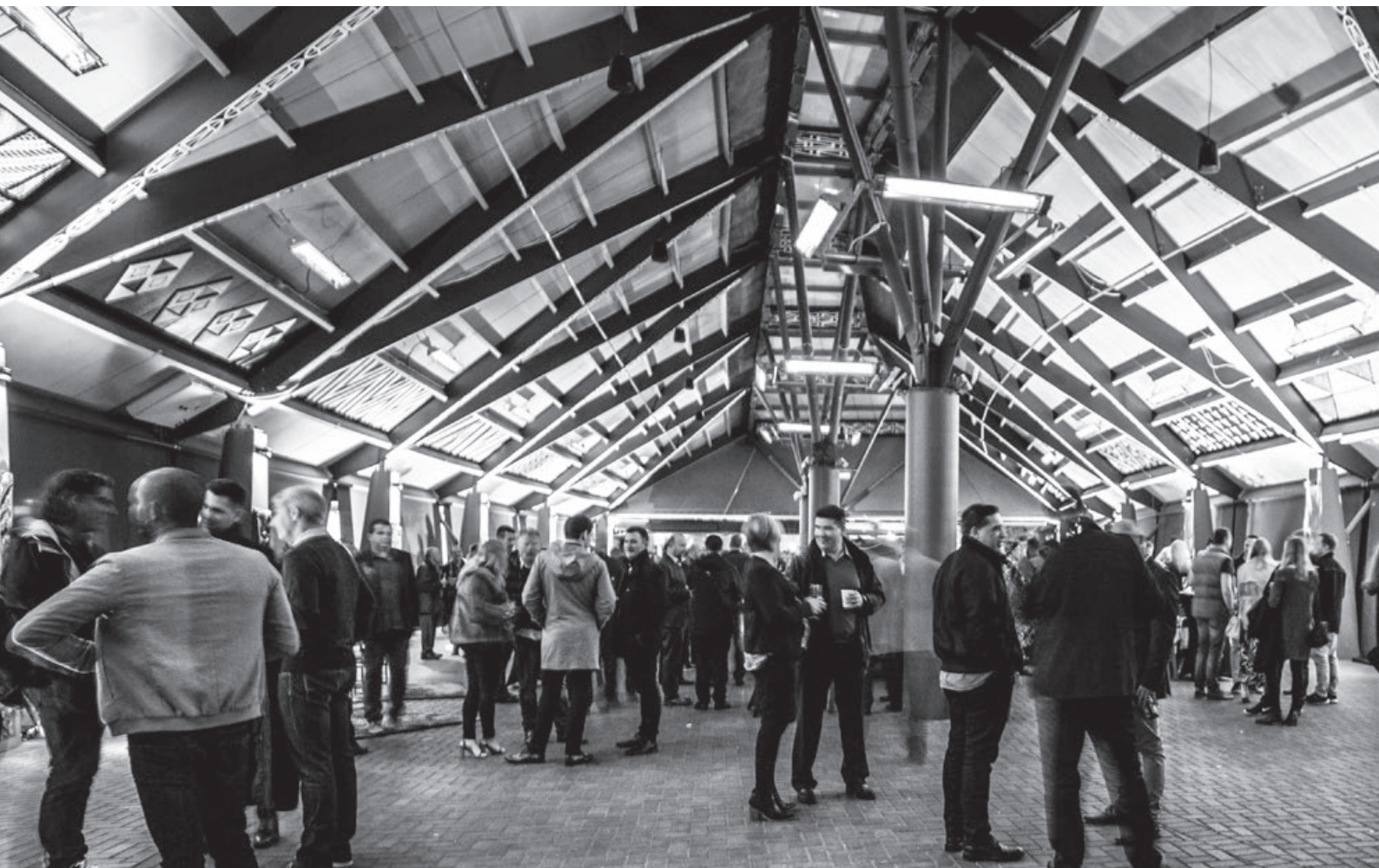
---

## WELCOME TO OUR REPORT

As a not-for-profit membership organisation, measurement of Property Council's success is less about dollars and cents and more about impact and outcomes.

We are at the beginning of our Impact Reporting (IR) journey and hope in years to come, by integrating IR methodologies and classifications into our reporting, we will be able to better explain our work and the impact we are making.





- 
- 01** Highlights
  - 02** Our Impact 18|19
  - 04** The Year in Review
  - 06** Leadership Report
  - 10** Our Governance
  - 12** Our People
  - 16** Our Members
  - 19** Looking Ahead
  - 22** Our Finances
  - 26** Our Partners

Corporate Sponsors



McCONNELL PROPERTY



# HIGHLIGHTS

**1**  **NEW**  
chief executive

---

**84** events and  
training  
seminars

---

**540+**   
member companies

---

**\$4.74m**  
**IN REVENUE**

---

 **4.57%**  
increase in members represented  
around New Zealand

---

**71** people and projects  
recognised through our  
awards programmes

---

**11,500**  
**EVENT ATTENDEES**

---

**34** submissions to  
central and local  
government

---

**86%** **member**  
**retention**  
**rate**

# OUR IMPACT 18|19

## Statement of Service Performance

### INPUTS



### STRATEGIC APPROACH

#### Our team

The expertise, energy and efficiency of our team drive us forward.

#### Our volunteers

The depth of skill and industry knowledge of our volunteers is second to none.

#### Our diverse membership

Our ability to traverse disciplines and connect different sector groups allows us to create opportunities for greater industry collaboration.

#### Our financial capability

Our long-term partners and Corporate Members give us the security to plan into the future.

#### STRONG INDUSTRY LEADERSHIP

We are an industry leader that champions inclusion and diversity throughout the property industry.

#### INFLUENTIAL ADVOCACY

We influence Government and decision makers to support decisions that foster a thriving property industry.

#### EXCEPTIONAL MEMBER & COMMERCIAL SERVICES

We inform, educate and foster mutually beneficial relationships for our members and the wider industry.

#### DYNAMIC & SECURE CORPORATION SERVICES

We steer the ship, ensuring the organisation has the capability and capacity to deliver quality services to our members.

#### SUPPORTED BY STRONG GOVERNANCE



NATIONAL COUNCIL



BRANCH EXECUTIVES

## OUR MISSION

To champion and foster the health and success of the property industry.

## OUR VISION

A quality, vibrant New Zealand commercial property industry.

## OUTPUTS

Diversity and Inclusion Committee established.

Increased interaction with journalists, officials and the 'policy public'.

Major advocacy wins secured, including the Government back-track on Capital Gains Tax.

Improved relationships with Ministers, policy makers and local government.

**84** events and training seminars which hosted **11,500+** people.

Launch of the Emerging Leaders Programme.

**4.57%** increase in members represented.

Recruitment of two new Corporate Sponsors.

**5,000+** social media followers who share, engage and help us stay informed.

**71** people and projects recognised through our awards programmes.

**\$4.74m** revenue.

Seamless transition of a new CEO.

## OUTCOMES

**1** Greater conversation about diversity in the property industry, with the Committee about to announce several initiatives that will aim to make our industry a place where all people can truly belong.

**2** Better engagement increases our influence, creating a platform for us to promote the property industry as the backbone of the economy. Celebrating it as a vibrant, engaging, important sector that provides the infrastructure for business and houses our communities.

**3** Our events provide an opportunity for our members – and the wider industry – to connect, be inspired and be educated on new ideas and innovations.

**4** Our growing membership increases our influence with policy makers, demonstrating our collective experience and national footprint.

**5** By recognising industry achievement, we help to set the standard for innovation and industry best practice.

**6** As the new face of Property Council, Leonie Freeman has invoked enormous support from current members and the wider industry, resulting in increased member (particularly female) engagement.

# THE YEAR IN REVIEW

## APRIL

- Property Council submitted on the **Tax Working Group's discussion document**, pushing for the reinstatement of depreciation on commercial property.
- The **2017 Operating Expenses Benchmark** for office buildings and shopping centres was released.
- Property Council submitted on the **Waikato District, Rotorua Lakes and Waipa District Long Term Plans**, the **Hamilton City Council 10-Year Plan**, and the **Tauranga City, Christchurch City and Queenstown Lakes District Council Long Term Plans**.



## MAY

- We opposed the Government's proposal to extend council's powers under the Local Government Act to help fund the cost of non-growth-related infrastructure.
- The advocacy team submitted on the **Wellington City Council 10-Year Plan**, **Auckland's Development Contributions Policy** and **Auckland's proposed fuel tax**, as well as the **Local Government (Community Well-being) Amendment Bill**.



## JULY

- The New Zealand Council of Shopping Centres hosted 450 attendees at **Retail Conference 2018**.



## JUNE

- In Hamilton, an outrageous proposed rates increase was wound back on the back of strong collaboration, and an oral submission to council backed up by individual member submissions.
- In Tauranga, a business rates differential was introduced at a much lower than proposed rate thanks to a well-coordinated advocacy approach. Great research, a solid rationale in our written submission, a PR campaign and 150 submissions using our Property Council 'template' all contributed.
- A well-pitched submission to Queenstown Lakes District Council resulted in a better relationship with all levels of council.

- The **Property Council New Zealand Rider Levett Bucknall Property Industry Awards** were held in Auckland, with over 1600 guests in attendance.
- We celebrated a win as the Finance and Expenditure Select Committee provided recommendations for the **Overseas Investment Bill** that were in line with our messaging.
- The inaugural **Property Industry Awards magazine** was published.

## AUGUST

- **National Conference** was held in Rotorua, with nearly 300 delegates coming together to dissect the latest in market analysis, housing policy, technology, design trends and economic updates.
- Property Council submitted on the **Draft National Planning Standards Consultation Document 2018**, supporting the planning standards that focused on creating an accessible, consistent, efficient and streamlined planning system.



## SEPTEMBER

- The Bay of Plenty Branch hosted their inaugural **Property People Awards**, welcoming a sell-out crowd as they celebrated seven outstanding local legends.



## OCTOBER

- Property Council's Building Act Amendment Bill 2018 submission supported provisions to investigate building failures and make them safe after an emergency.
- Wellington, Waikato and the South Island put on a show for the annual **Property People Awards**, with McKee Fehl's Press Hall building taking home the Greenwood Roche Supreme Award.

## NOVEMBER

- The third annual **Auckland Property People Awards** were held.
- Property Council submitted on **Bay of Plenty's SmartGrowth** plan.
- Property Council provided feedback to the **Tax Working Group** on its interim report.



## DECEMBER

- **Leonie Freeman** was officially welcomed as chief executive of Property Council New Zealand.
- The Auckland membership had a significant win as Auckland Council wound-back the momentum on their proposed **draft Development Contributions Policy**. This came off the back of a well-executed campaign, which included five submissions and numerous meetings with all levels of Auckland Council.

## FEBRUARY

- Clyde Holland, keynote speaker at the **Residential Development Summit 2019**, struck a welcome chord with the 350 attendees at this year's Summit.
- The advocacy team submitted on the Productivity Commission's inquiry into **Local Government Funding and Financing**.



## MARCH

- **National Council** welcomed Steve Evans of Fletcher Building and Anna Crosbie of Russell McVeagh, who both appointed for a two-year term. Mark Thomson of Auckland Airport was also elected as Vice President.
- Property Council launched the first in a series of nationwide **member workshops** that aimed to redefine our role and purpose.
- The Government announced that it will be reviewing the model for **fire levies funding** – a battle that Property Council had been fighting for several years.

2019

# LEADERSHIP REPORT



## THE PROPERTY COUNCIL OF THE FUTURE STARTS HERE.

Looking back on the past 12 months, it's clear to see that Property Council recently reached a fork in the road, choosing to evolve from an inward-facing membership organisation to an industry leader, intent on guiding both the property sector and New Zealand on a path that sees cities hum and communities thrive.

---

### BIG ISSUES, BIG SOLUTIONS

The beginning of 2018 saw several big issues arise for the property industry. A new government meant new ideas, new policies and, sometimes, relitigating old policies.

The Overseas Investment Act (Residential Land) provided a busy start to the year, outraging members culminating in

a solid submission to the Select Committee which resulted in a substantially modified Act that considered many of our members more pressing concerns. Direct engagement with the Overseas Investment Office led them to engage with members ahead of formal consultation on new changes affecting commercial property – a consultation that we were previously advised would not occur.




---

The Tax Working Group dominated headlines, with huge potential costs and benefits to our membership. Property Council's two written submissions made our case well around capital gains and depreciation.

---

The first submission was well-balanced and secured a face to face hearing with the group. We saw great engagement with members via our internal working group and with KPMG, who provided the technical detail for a persuasive summary submission.

Significant groundwork was done with the Ministry of Business Innovation and Enterprise on urban development, building on the formal submissions we made in 2017. The fact the Government will continue the previous government's idea of legislating urban development authorities is promising, albeit with a new focus. 2019

is the year when much of this work will come to fruition with the imminent establishment of Kāinga Ora – Homes and Communities as a Crown entity. We look forward to working with the Minister as the powers of Kāinga Ora are better defined later in the year.

Advocacy is measured in inches rather than miles, with the issue of Long-term Planning System Reform a prime example as this has been a campaign that we have been working on for many years. This year, the issue stepped up a gear and has reached a tipping point. Property Council has been working collaboratively with other members of Resource Reform New Zealand (Environmental Defence Society, Infrastructure NZ, the Employers and Manufacturers Association (Northern) and Business NZ) to push government on leading an overhaul of the Resource Management Act (RMA). Initially the Government had suggested no significant reforms of the RMA, however, our work in this area has now ensured a work programme is in place – a result we only dreamed of in 2017.

Another slow-burning issue has been fire levies. The original proposed levies would have seen a huge increase



in costs for commercial property owners, something we have invested a significant amount of time lobbying against over the past few years. Finally, we are being listened to. This year the Government slowed down the process to do more work and further consultation. While the emphasis was on trying to make their existing decisions work, the door was opened a crack to re-look at the whole system, even if it was a narrow crack. Engagement with Hon Tracey Martin proved worthwhile and in February 2019, we presented to the parliamentary Select Committee considering the levy. In March, the Government announced a return to a first principles approach, with the whole system up for review. Again, this is a result that was unheard of prior to 2017 and we will continue to engage officials to ensure a new model is fair and equitable to both members and the wider property industry.

## LOCAL ISSUES, NATIONAL IMPLICATIONS

The benefit of having a national overview is that often issues that appear localised are often repeated in some form around the country. Such is the case with development contributions, where our “happy to pay our fair share” message gives us the moral high-ground and has been successful. Auckland is the obvious example, but it was a lot of work – five submissions – and numerous meetings at all levels of Auckland Council. The big back down was a real victory for our advocacy team. Hamilton continues to prove inflexible no matter which tack we take – but it is backfiring, as developers seem to be walking away and taking their money with them.

---

Likewise, the issue of reinvigorating city centres is a topic of interest for many cities. Christchurch remained a focus with Property Council commissioning JLL to research the barriers to residential development in the central city.

---

This project led to significant media coverage and greater engagement with Christchurch City Council, spurring them into action. Other local issues such as priority ‘corridors’ for earthquake prone buildings in Wellington and Christchurch, Auckland’s regional fuel tax and Let’s Get Wellington Moving all received industry input thanks to member feedback and branch surveys.

Being the year of several district plan reviews, 2018 proved a busy time for our advocacy team with many hours spent trawling through long-term and district plans to uncover hidden gems (and landmines). While some regions planning was well-considered, other plans needed to be more ambitious to ensure development keeps pace.

The issue of business rating differentials was an ongoing concern, with the topic raised in both Tauranga and Wellington. Property Council’s Bay of Plenty Branch was successful in reducing a proposed increase to Tauranga’s business rating differential thanks to a coordinated advocacy approach that included great research, a solid rationale argument in our written submission, a PR campaign and over 150 members and non-members using Property Council’s submission ‘template’. This was a significant win that provided irrefutable proof that ground-level advocacy can have a huge impact.

## STRONG LEADERSHIP, BETTER PARTNERSHIPS



In December, Leonie Freeman was welcomed as chief executive, bringing with her decades of experience and a no-nonsense attitude that boldly challenges the status quo and lifts the Property Council team to do better, try new things and make sure we are operating efficiently and effectively.

In addition to this, we have continued to build relationships with central and local government. Quarterly meetings with the building and housing Ministers, Hons Phil Twyford and Jenny Salesa, and regular engagements with Hon David Parker are well established both directly through Property Council and via our participation in Resource Reform New Zealand. We discussed Christchurch regeneration issues with Hon Dr Megan Woods and met other Ministers, such as Hons Nanaia Mahuta and Shane Jones, which is showing dividends in the Government’s work programme.



In the branches we are privileged to have local representatives meet with council officials and local politicians, from regular meetings with the Mayor, Deputy Mayor and officials at Auckland and Christchurch City Council's to fruitful relationships with councils in Wellington and Queenstown Lakes. This united approach holds enormous power.

Our partnership with RICS for the Commercial Property Monitor and Construction and Infrastructure Surveys continued in 2018/19, with this data providing us with strong insights into industry sentiment, even being referred to by the Reserve Bank. We also re-signed our agreement with MSCI/IPD for the Quarterly Property Index, New Zealand's leading and most credible direct property Index.

## A NEW CHAPTER

During the year we farewelled long-serving Chief Executive, Connal Townsend. We acknowledge and thank him for his committed service to members over the past 15 years and wish him well in his retirement.

With Leonie Freeman now firmly in place as chief executive, in March 2019 Property Council launched the first in a series of nationwide member workshops that aimed to redefine our role and purpose and chart a course for the next 10 years and beyond. Throughout the month workshops were held across New Zealand, forming the basis for the Property Council Strategic Plan, due to be launched at National Conference at the end of September 2019.

---

The development of the strategic plan has been a huge opportunity for engagement with our members; 17 workshops were held, and members of all levels were offered the chance to have their say and provide their feedback.

---

We would like to take this opportunity to thank our members, our team and those in our governance committees for supporting Property Council over the past 12 months. The success of any organisation hinges on its people, and it is because of you that we stand here today.

Ngā mihi nui.



**John Dakin**  
National President  
Chief Executive,  
Goodman NZ



**Leonie Freeman**  
Chief Executive,  
Property Council  
New Zealand



# OUR GOVERNANCE

## NATIONAL COUNCIL

National Council is the board tasked with guiding Property Council's strategic direction in close consultation with members.

In February 2019 we welcomed two new members to National Council, with Steve Evans, of Fletcher Building and Anna Crosbie of Russell McVeagh, both appointed for a two-year term. At this time Mark Thomson of Auckland Airport was also voted in as Vice President of National Council.

Previous Residential Development Council Chair Martin Udale stepped down from this role, and from National Council in January 2019.



**JOHN DAKIN**  
National President  
Goodman NZ



**SCOTT PRITCHARD**  
National Vice-President  
Precinct Properties



**MARK THOMSON**  
National Vice President  
Auckland Airport



**PETER MENCE**  
Argosy Property



**PATRICK DOUGHERTY**  
Housing New Zealand



**STEVE EVANS**  
Fletcher Building



**STEPHEN GRACEY**  
Rider Levett Bucknall



**ANNA CROSBIE**  
Russell McVeagh



**BRIAN SQUAIR**  
Waikato Branch President  
Chow:Hill Architects



**DENIS WOOD**  
Wellington Branch President  
Munro Bengé



**ROGER DAVIDSON**  
South Island Branch  
President  
Foodstuffs South Island



**CAMPBELL BARBOUR**  
Chair, New Zealand Council  
of Retail Property  
NZRPG



**SIMON WOODHAMS**  
Property for Industry



**PHIL LITTLEWOOD**  
Stride Property



**MICHAEL HOLLOWAY**  
Auckland Branch President  
Kiwi Property



**BROOKE COURTNEY**  
Bay of Plenty Branch  
President  
Sharpe Tudhope Lawyers



# OUR PEOPLE



**LEONIE FREEMAN**  
Chief Executive

---



**JAMES KENNELLY**  
Head of Advocacy

---

## LEADERSHIP TEAM

2018/19 saw several changes in the leadership team, with the departure of Connal Townsend as Chief Executive in December 2018 and the resignation of Matt Paterson as Head of Advocacy in March 2019 (who subsequently departed after the year ended in May 2019).

Leonie is a well-respected industry leader with extensive experience in the New Zealand property industry, having held top positions in both the public and private sector. In 2011, Leonie was appointed to the board of NZX listed company Goodman Property Trust, and up until her 2018 appointment as Property Council's chief executive, she dedicated her time to leading an independent philanthropic initiative to solve Auckland's housing crisis.

Leonie holds a Master of Commerce, majoring in valuation and property management and is a life member of the Property Institute of New Zealand, a chartered member of the Institute of Directors, and a member of Global Women. Leonie is a strategic thinker, capable of seeing the big picture whilst also digging into the detail – a rare combination that makes her both an inspirational leader and exemplary spokesperson.

James leads our advocacy team, providing sound judgement, a natural flair for communicating the complex and an easy-going manner that makes him approachable yet reliable. Based in Wellington but frequently found in all corners of the country, James has his finger on the pulse of central and local government, providing valuable insights for our membership and acting as the conduit between our members and the country's movers, shakers and policy makers.

James has experience both here and abroad, most recently in the UK where he worked in the House of Commons, then in government relations roles for several regulators, including the Nursing and Midwifery Council, the Charity Commission and a UK Exam Board. Prior to this he resided in Wellington and walked our parliamentary halls under the leadership of Phil Twyford and the then Leader of the Opposition, Phil Goff.



**SARA-JANE EVANS**

Head of Membership and  
Commercial Services

---

With over 15 years' experience across the public, private and not-for profit sectors, Sara-Jane (SJ) has risen through the Property Council ranks over the past eight years to become a focused and passionate manager. She leads her large team of branch managers, event experts and membership support staff with enthusiasm and care.

Prior to joining Property Council, SJ worked in project management and administration, where she sharpened her leadership skills and honed her ability to bring people together to achieve project success.

SJ's unrivalled understanding of our membership, governance and organisational history make her an asset to the leadership team and the organisation.

**SIMON THORNE**

Head of Corporate Services

---

With over 20 years commercial experience in financial management and leadership, Simon has been a member of the Property Council leadership team since 2011. Simon has extensive understanding of the not-for-profit space after stints with both New Zealand Football and New Zealand Golf, and utilises this experience for the betterment of the organisation.

Aside from balancing the books, revelling in spreadsheets and providing exceptional financial services, Simon also leads a team of support staff, ensuring the 'engine room' of the organisation is in fine working order.

**KELLY TAYLOR**

Head of Communications

---

Originally joining Property Council as South Island Branch Manager, Kelly has an excellent overview of the organisation, our membership and how all the moving parts work together. She holds a Bachelor of Broadcasting Communications and a Graduate Diploma in Event Management and has a firm belief that every problem can be solved if approached in the right way.

Ruthlessly organised, meticulously detailed and a lover of words, Kelly's role is to tell Property Council's story. She takes the complex and makes it simple, opens doors for member engagement and positions us as approachable, credible and influential.

# OUR PEOPLE



**RONA MILLER**

Executive Assistant to the  
Chief Executive



**HARRY WRIGHT**

Membership Manager



**LAUREN HUNTER**

National Events Manager



**NAOMI READ**

National Events Coordinator



**VICKY WILLIAMSON**

Bay of Plenty Branch &  
Branch Operations Manager



**JANE BUDGE**

Senior Advocacy Advisor



**KATHERINE WILSON**

Senior Advocacy Advisor



**NATASCHA DODSON**

Auckland Branch Manager



**NICOLE ROE**

Auckland Branch Events  
Coordinator



**AMELIA FLYNN**

South Island  
Branch Manager



**NICOLE RAMAGE**

Wellington Branch Manager



**SARAH RUNDSTROM**

Waikato Branch Manager



**SOPHIA MCKAY**

Otago Chapter Manager



**CANDICE STEYN-ROSS**

Finance & Office  
Administrator



**JELENA KEMSLEY**

Graphic Design & Marketing  
Coordinator



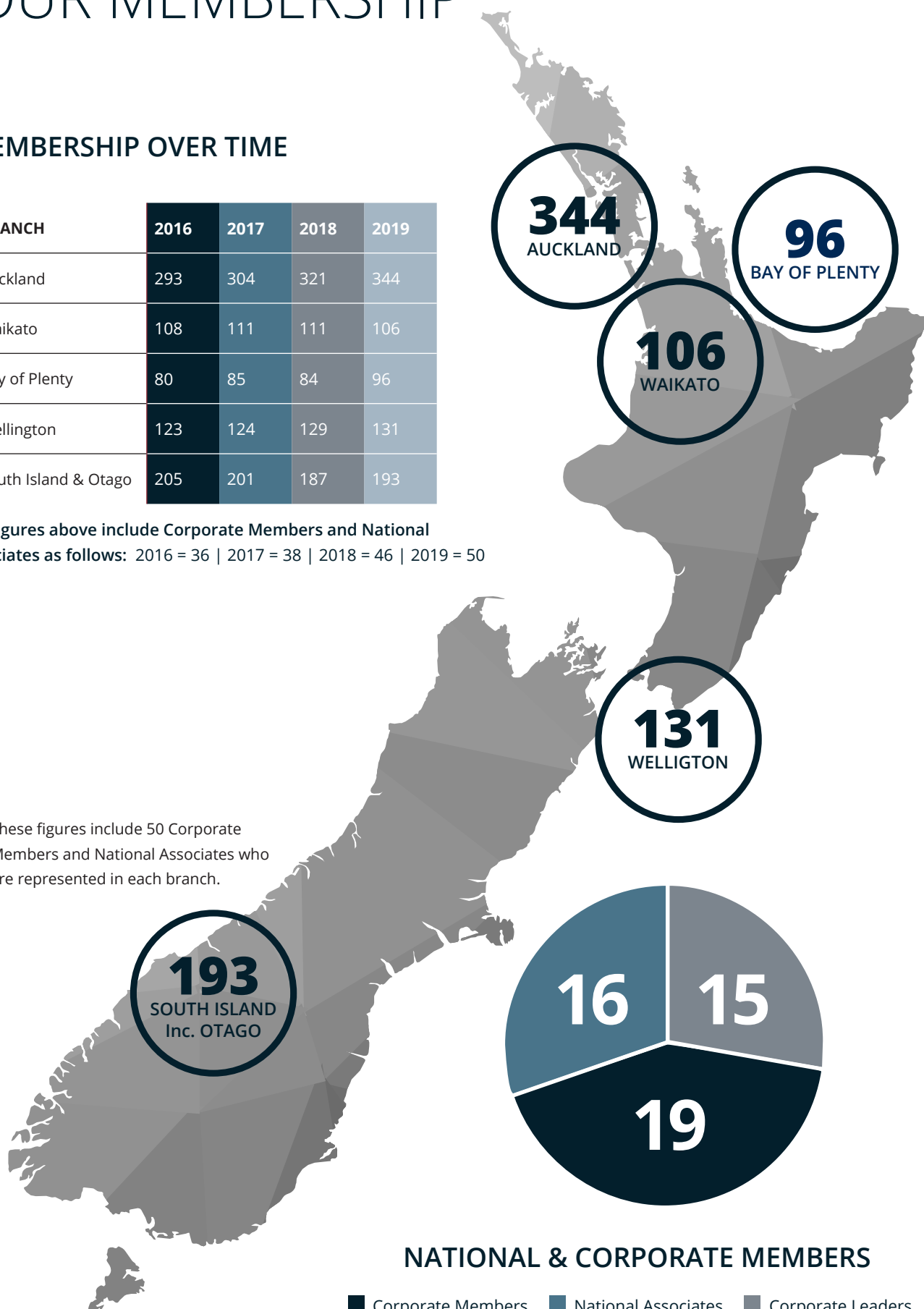
# OUR MEMBERSHIP

## MEMBERSHIP OVER TIME

BRANCH	2016	2017	2018	2019
Auckland	293	304	321	344
Waikato	108	111	111	106
Bay of Plenty	80	85	84	96
Wellington	123	124	129	131
South Island & Otago	205	201	187	193

The figures above include Corporate Members and National Associates as follows: 2016 = 36 | 2017 = 38 | 2018 = 46 | 2019 = 50

These figures include 50 Corporate Members and National Associates who are represented in each branch.



■ Corporate Members ■ National Associates ■ Corporate Leaders





Our first year as the New Zealand Council of Retail Property (formerly the New Zealand Council of Shopping Centres) has flown by, with key highlights as follows:

---

- Continued development of the NZCORP Retail Property Education Programme, with a growing number of talented alumni. The programme includes the Retail Property Introduction 01 course and the Retail Property Advanced 02 course that teaches participants an overall understanding of how the retail property sector operates, the methodologies of making sound retail decisions and creating a practical toolkit for working with retailers.
- The annual Retail Conference was held in July and attracted its largest ever audience of over 450 attendees. The 2018 conference theme focused on the digital revolution, with keynote speaker Ken Hughes providing a show-stopping presentation and attracting several media interviews.
- In April, we submitted on the Tax Working Group discussion document, supporting the intention of the review but recommending that the group consider charging GST on internet sales to close the current loophole which allows international retailers to sell into New Zealand without paying GST. This campaign was successful, with the Government announcing a fairer GST regime due to be implemented on 1 December 2019.
- NZCORP also submitted on Tauranga City Council's Long-Term Plan, strongly opposing the rating proposal to reduce the Uniform Annual General Charge and introduce a rates differential of 1:1.8. Instead, we supported the status quo and recommended the council investigate alternative funding mechanisms. This successful campaign saw the council reconsider the proposal and introduce a lower differential than initially proposed, saving our members thousands of dollars.
- The year ahead will see NZCORP continue our progress in the retail property training space, with Retail Conference, and publication of the Shopping Centre Directory both scheduled for July. Further retail training courses are also planned throughout the year.



The Residential Development Council (RDC) is a forum that champions a pro-development culture at central and local government level. 2018/19 highlights include:

---

- In November, the Residential Development Council (RDC) submitted on Auckland Council's Draft Contributions Policy 2019, asking for development of the policy to be halted for a full review to be completed. We highlighted that the proposed policy could run counter to the objectives and intent of the Unitary Plan, create residential wastelands and transport congestion as the city moves outward. On the back of this campaign, the council did stall proceedings to allow more time for industry consultation in the new year.
- In February we hosted New Zealand's only Residential Development Summit. This year we focused on "meeting the supply challenge" and welcomed over 350 attendees to SKYCITY Convention Centre for a day of robust discussion, solution-finding, innovation and unanimous support for change.
- With much of the work that previously fell under the RDC banner - such as KiwiBuild and residential development in Christchurch and Tauranga's central city - now entwined with Property Council's national and branch advocacy, the RDC committee is currently reviewing the council's mandate and will decide how best to approach future campaigns and projects.



# LOOKING AHEAD

Property Council is in a period of transformational change.

Success in the future will be determined by how well we examine our processes, redefine our purpose and rebuild this organisation to ensure we evolve into a contemporary, market-leading industry association.

As our governors, National Council will continue to focus on the strategic direction of the organisation, ensuring that Property Council – and the property industry – is prepared to face the many challenges that the future holds. We are fortunate to have the combined expertise of some of New Zealand's best property minds in our team, providing steady leadership with a strong emphasis on doing what is best for the greater good of our industry and our country.

Walking the line between listening to our membership while also operating with a single-minded proposition will always be a challenge. The need to focus on those priorities that will have an impact for the wider industry and the country, whilst ensuring the long-term sustainability of the organisation will require balance. We thank all members for their input and support during this transitional phase.

Property is the backbone of the New Zealand economy; providing infrastructure for business and housing communities. Together, we are shaping a growing New Zealand. We dream of cities that are future-proofed and functional, where people comfortably live, work and play.

We look forward to working with you as the next chapter unfolds.

Ngā mihi nui.



**John Dakin**  
National President  
Chief Executive,  
Goodman NZ



**Leonie Freeman**  
Chief Executive,  
Property Council New Zealand

# TOGETHER, SHAPING CITIES WHERE COMMUNITIES THRIVE

Property Council New Zealand is the leading advocate for New Zealand's largest industry - property.

A not-for-profit organisation, our membership is broad and includes some of the largest commercial and residential property owners and developers in New Zealand. The property industry comes together at our 80+ Property Council events, which offer professional development, exceptional networking and access to industry-leading research.

Property Council acts as a collective voice, giving our members a seat at the table with policy makers, ensuring they make informed decisions that benefit our industry whilst enabling a strong economy and thriving communities.

---

## 10,000

property professionals connected

---

## 540<sup>+</sup>

member companies

---

## \$50 BILLION

investment in New Zealand property

---





# FINANCIAL SUMMARY

## THE COST OF IMPACT AND INFLUENCE

---

In the last financial year, the cost of providing advocacy, event and research services to our membership was \$4.861 million.

Total revenue was only up marginally from last year with operational income up 2.5% to \$4.609 million due to slight increases in both membership and event income, but other income and interest income was down.

---

### Key expenses in the period included:

- \$512,079 paid in operational expenses
- \$1,936,382 to run our events and regional branches
- \$135,793 of costs related to recruitment and the transition of a new Chief Executive
- \$173,411 paid in rent in both Auckland and Wellington.
- Employee costs continue to be the biggest outlay for the organisation

### Movements on the previous year include:

- Recruitment and transition expenses costs continue to have a significant impact on the organisation
- Increased employee costs, including recruitment and consultancy fees
- An overall loss of \$123,018, \$18,889 more than in 2018.

## WHERE DOES THE FUNDING COME FROM?

---

Property Council New Zealand's total revenue was \$4.738 million, an increase of \$32,043 on the previous year. Our two key funding streams are membership subscriptions and event revenue.

---

### Of note in the period was:

- An increase in membership revenue of \$12,870
- An increase in event revenue of \$77,495
- Increased property, plant and equipment costs due to a refurbishment of the Auckland office

At the end of FY18-19, Property Council's net assets have decreased by \$123,018. This loss was largely driven by the ongoing restructuring and transition costs, including recruitment of a new CEO, as well as unexpected delays to research publications which saw them launched outside of the financial year.

Retained earnings now sit at \$756,546 after this deficit.

### Changes in the balance sheet for FY18-19 include:

- Increased fixed assets from refurbishment of National Office – the majority of which was offset by a rental incentive
- Assets (prepayments) and income in advance have both increased significantly this year as timing of transactions have come in earlier
- The above also explains why cash is down for the year.

As an organisation, this kind of loss at a time when the industry is booming is disappointing. Steps are now being taken internally to reduce costs, limit overheads, refine policies and procedures and ensure our management reporting is accurate, timely and transparent.

We look forward to being able to report on the success of this activity in next year's Annual Report.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	\$	\$
<b>Revenue from exchange transactions</b>		
Operating revenue	4,609,205	4,498,903
<b>Less: Cost of sales</b>		
Cost of sales	(1,936,382)	(2,062,013)
Gross profit	2,672,823	2,436,890
<b>Other revenue and income from exchange transactions</b>		
Interest income	18,528	33,227
Other income	110,939	174,499
	129,467	207,726
Total Revenue	2,802,290	2,644,616
<b>Less: expenses</b>		
Operational expenses	(512,079)	(506,173)
Depreciation and amortisation expense	(72,929)	(77,122)
Employee benefits expense	(2,031,096)	(1,883,886)
Occupancy expense	(173,411)	(156,636)
Restructuring and transition expenses	(135,793)	(124,928)
<b>Deficit before income tax expense</b>	(123,018)	(104,129)
<b>Total comprehensive revenue and expense for the year</b>	(123,018)	(104,129)

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Retained earnings	Total equity
	\$	\$
<b>Balance as at 1 April 2017</b>	983,693	983,693
Loss for the year	(104,129)	(104,129)
<b>Total comprehensive revenue and expense for the year</b>	(104,129)	(104,129)
<b>Balance as at 31 March 2018</b>	879,564	879,564
<b>Balance as at 1 April 2018</b>	879,564	879,564
Loss for the year	(123,018)	(123,018)
<b>Total comprehensive revenue and expense for the year</b>	(123,018)	(123,018)
<b>Balance as at 31 March 2019</b>	756,546	756,546



## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	2019	2018
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	337,679	453,368
Receivables from exchange transactions	480,880	325,695
Inventories	20,085	15,053
Other financial assets	344,518	509,302
Other assets	347,303	122,852
<b>Total current assets</b>	<b>1,530,465</b>	<b>1,426,270</b>
<b>Non-current assets</b>		
Property, plant and equipment	192,206	72,869
Intangible assets	58,420	51,111
<b>Total non-current assets</b>	<b>250,626</b>	<b>123,980</b>
<b>Total assets</b>	<b>1,781,091</b>	<b>1,550,250</b>
<b>Current liabilities</b>		
Payables from exchange transactions	472,039	402,698
Borrowings	554	-
Income in advance	551,952	267,988
<b>Total current liabilities</b>	<b>1,024,545</b>	<b>670,686</b>
<b>Total liabilities</b>	<b>1,024,545</b>	<b>670,686</b>
<b>Net assets</b>	<b>756,546</b>	<b>879,564</b>
<b>Equity</b>		
Retained earnings	756,546	879,564
<b>Total equity</b>	<b>756,546</b>	<b>879,564</b>

Approved on behalf of the National Council:



Leonie Freeman, Chief Executive

12/08/2019  
Date



John Dakin, National President

12/08/2019  
Date

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	\$	\$
<b>Cash flow from operating activities</b>		
Proceeds from members	2,054,528	1,708,638
Proceeds from events	2,571,959	2,766,694
Proceeds from other	230,685	256,142
Interest received	20,652	31,142
Payments to suppliers	(2,990,162)	(3,273,003)
Payments to employees	(1,968,479)	(1,598,720)
<b>Net cash used in operating activities</b>	<b>(80,817)</b>	<b>(109,107)</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment	(166,075)	(26,114)
Payment for intangible assets	(34,135)	-
Proceeds from short term deposits	164,784	312,101
<b>Net cash provided by / (used in) investing activities</b>	<b>(35,426)</b>	<b>285,987</b>
<b>Reconciliation of cash</b>		
Cash at beginning of the financial year	453,368	276,488
Net increase/ (decrease) in cash held	(116,243)	176,880
<b>Cash at end of financial year</b>	<b>337,125</b>	<b>453,368</b>

*These statements are extracts from our full set of statutory financial statements for the year, which contain other details such as accounting policies and detailed notes to the financial statements. Our full financial statements have been audited and contain an unmodified audit opinion from our independent auditors RSM Hayes Audit.*

*Our full audited financial statements are available for viewing on our website [www.propertynz.co.nz/annual-reports](http://www.propertynz.co.nz/annual-reports).*

*Alternatively, should you wish to have a copy of the full Financial Statements sent to you, please contact us at [enquiries@propertynz.co.nz](mailto:enquiries@propertynz.co.nz) or 09 373 3086.*

# OUR PARTNERS

**AECOM**

AMP CAPITAL 

Argosy  
Property Limited

Auckland Council  
Tā Kāwhiri o Te ōhaki Māhuru 

A | Auckland  
Airport

**aurecon**

**BAYLEYS**

 **Beca**

**bnz** 

**CBRE**

**Colliers**  
INTERNATIONAL

DEVELOPMENT  
ADVISORY  
SERVICES

 **Fletcher  
Building**

**Goodman** 

**HG** HARRISON  
GRIERSON

**H**  
HAWKINS

**Holmes**

**Housing New Zealand**  
Housing New Zealand Corporation

**Jasmax**

 **JLL**

**KensingtonSwan** 

 **Kiwi  
Property**

 **McCONNELL PROPERTY**

 **Naylor  
Love**

**NGĀI TAHU Property**

 **NGĀTI WHĀTUA ŌRĀKEI**  
WHĀI RAWA LIMITED

**Panuku  
Development  
Auckland**   
An Auckland Council Organisation

**Precinct**  
PROPERTIES NEW ZEALAND

**PFI**

**Russell  
McCaugh**

**SCENTRE GROUP**

**STRIDE**

 **WARREN AND MAHONEY**

 **Wilson Parking**





**PROPERTY COUNCIL NEW ZEALAND**

Foyer Level, 51 Shortland Street, Auckland 1010 | PO Box 1033, Auckland 1140

**P** +64 9 373 3086 | **E** [enquiries@propertynz.co.nz](mailto:enquiries@propertynz.co.nz)  
[propertynz.co.nz](http://propertynz.co.nz)