

A nighttime photograph of a city street featuring several modern buildings. The central focus is a tall, light-colored brick building with a grid of windows, some of which are illuminated. To its left is a taller, dark glass skyscraper. In the foreground, there are lower buildings, including one with a 'Co.' sign and another with a 'STORE' sign. The street is lit with streetlights, and there are some trees and planters in the foreground. The sky is dark with some clouds.

INTEGRATED ANNUAL REPORT 2021/22



Property Council
New Zealand



Whakataukī

I orea te tuatara ka patu ki waho

A problem is solved by continuing to find solutions.



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Welcome to our integrated 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.

For a fourth year, we are integrating Impact Reporting (IR) methodologies and classifications into our reporting, in the hope this better explains our work and the impact we are making.



Our purpose

Together, shaping cities where communities thrive

Whakarite taone e ora ai ngā hāpori



About Property Council

Property Council is the leading advocate for Aotearoa's largest industry – property.

Property Council New Zealand is the one organisation that collectively champions property, bringing together members from all corners of the property eco system to advocate for reduced red tape that enables development.

Property is New Zealand's largest industry, making up 15% of economic activity. As a sector, we employ 9% of New Zealand's workforce and contribute over \$41.2 billion to GDP.

A not-for-profit organisation, the Property Council connects over 10,000 property professionals, championing the interests of 550 member companies.

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 local, national and online events, which offer professional development, exceptional networking and access to industry-leading research.

Our members shape the cities and spaces where New Zealanders live, work, play and shop.

A note from our Chair



Scott Pritchard

National Chair, Property Council New Zealand

At the close of the last financial year in March 2021 we were in what turned out to be the middle of the COVID-19 pandemic. Looking back on my commentary from that time, we were hopeful of a return to normality sooner rather than later, but we had also worked hard to ensure that Property Council had the resilience, both financially and from a governance perspective, to weather any unprecedented storms. And storms there were.

The Transitional National Board had just ushered in a new era of governance, with a new Constitution, Bylaws and Operational Guidelines coming into force from 1 January 2021. This change then trickled down to our membership structure, with the original 50+ membership categories streamlined and refined to just 12. I applaud the Property Council team and the Board for their work in bringing our members along on the journey with us as we undertook this transformation. I'd also like to thank our members for their unwavering support during this time, with 83% of Property Council members choosing to reinvest in the organisation and in doing so, secure its future.

The new Constitution also brought with it changes to how Property Council's committees are structured and elected, with September 2021 marking the first of the organisation's nationwide committee elections. As time goes on, we hope

that members will continue to see the value in volunteering on these committees, strengthening our position as the voice of property and improving the diversity and reach of these groups.

The 'soft launch' of the 2021 election process meant nominations for committees were only open for those which had vacancies. This resulted in a changing of the guard on the Wellington Regional Committee, with Paul Robinson of the Woolstore Management Ltd stepping down as Wellington Regional Chair and Gerard Earl of Colliers taking the reins. Similarly, the New Zealand Council of Retail Property (now known as the Retail Committee) had a change of leadership, with longstanding Chair Campbell Barbour of New Zealand Retail Property Group (NZRPG) stepping down, allowing Michael Sweetman of Precinct Properties New Zealand to take up the role.

On behalf of the Board and the wider membership, I would like to acknowledge the tremendous input and leadership shown by Campbell, who had been the Chair of the New Zealand Council of Retail Property for over a decade, and Paul, who has been a valuable contributor to the Wellington Committee for a similar length of time. Property Council simply wouldn't be the organisation it is without their time and expertise.

From a Board perspective, I offer my sincere appreciation to Stephen Gracey of Rider Levett Bucknall and Phil Littlewood of Stride Property, who retired from the Board on 31 October 2021. I also offer a warm welcome to Angela Bull of Tramco and Patrick Dougherty of Kainga Ora – Homes and Communities, who have joined the Board.

Last year I noted the inception of the Financial Resilience Fund, where several of our Industry Leader Owner/Developers elected to increase their contribution to Property Council from \$34,000 to \$100,000 per annum via a one-off special levy aimed to bolster reserves to a target of \$2 million over five years. This year I am pleased to report that, thanks to both this ongoing support and the enormous work of the Property Council team, who have ensured a healthy surplus can be invested into the reserves, this fund has now grown to \$1.15 million, putting us at 57% of our five-year target in just two years.

To compare this achievement to when we sat around the boardroom table at the beginning of the pandemic facing the reality of our financial situation – which at the time was dire – defies belief. I can only commend the leadership of Leonie Freeman, the Property Council team and my fellow Board members for envisioning, leading, and supporting this new direction.

Such success in the face of incredible disruption only comes through clarity and commitment. A similar commitment has been shown to Property Council's role as an industry leader, with national achievements including:

- The release of the Property Industry Impact Report in July 2021, which analysed the property industry's economic contribution, size, value, and employment numbers, both nationally and in the main regions. The results were startling; in the decade from 2009 to 2019, the property industry's direct contribution to GDP has ballooned from \$21.6 billion (12% of total GDP) to \$41.2 billion (15% of GDP).
- The Minister of Housing and Urban Development, Hon Megan Woods, agreed to form a Build to Rent (BTR) Reference Group with selected Property Council members, allowing further engagement and education on the BTR movement.
- Property Council was invited to sit on the Fire and Emergency New Zealand (FENZ) Ministerial Reference Group to pre-engage with the levy review ahead of expected 2022 legislation.
- Property Council's campaign for rent relief for pandemic-affected tenants and landlords successfully forced amendments to proposed rent relief legislation to include means testing of tenants in the final legislation. In anticipation of government legislation, Property Council also developed Property Industry Operational Guidelines to support landlords in their negotiations with tenants.
- Property Council was appointed as key advisors to the Ministry for the Environment on Resource Reform, road-testing provisions in draft Bills.
- The Resource Management (Enabling Housing Supply and Other Matters) Bill was passed, allowing for greater density in our main cities.
- Property Council was consulted as a key stakeholder in climate change discussions with the Climate Change Commission and Ministry for the Environment.

Property Council is fortunate to have both a national and regional presence thanks to our local volunteers and staff in Auckland, Central, Wellington and the South Island regions. Our regional achievements for FY2022 include:

- Following Property Council's lobbying efforts, both Auckland and Hamilton City Council deferred decisions on Development Contribution increases.
- Property Council formed an ongoing partnership with Auckland Light Rail Group to inform development/delivery of the project.
- Property Council's Auckland-based members were given the opportunity to provide feedback to Auckland Council on their planned approach to implementing the NPS-UD.

- Following discussions with Property Council, Tauranga City Council's proposal to increase development contributions was amended to be spread over two instalments and a provision to consider exceptions and reductions on a case-by-case basis was established.
- Let's get Wellington Moving announced a \$6.4 bn plan, aligning closely with Property Council's previous submission on the subject.
- Property Council maintained a good working relationship with Christchurch City Council and has been asked to provide feedback pre-consultations with the Council which has avoided significant advocacy projects being required.

While the bulk of this work has been undertaken by the Property Council advocacy team, led by Denise Lee, who was Acting Head of Advocacy in 2021 and Katherine Wilson, who resumed the role in late 2021, credit is also due to our member working groups and committees.

These taskforces provide invaluable industry expertise and real-world experience that inform our advocacy positions and give substance to our theory. I would encourage anyone with an interest in ensuring the property industry has a seat at the policy-making table to put their hand up and give their time to these groups.

Over the past few months, the Board has worked in collaboration with the Property Council team to craft the 2022-25 Strategy, due to be launched at The Property Conference in Christchurch in Spring 2022. Developed through extensive collaboration with members and Property Council committees, the Strategy sets the agenda for the coming three years, with the aim of building on what is now a solid foundation to truly take the organisation to the next level.

Thank you for your part in this evolution as we pave the way for the next generation of city shapers.

A note from our Chief Executive



Leonie Freeman

Chief Executive, Property Council New Zealand

We embarked on the start of the financial year in April 2021 with faith in a return to normality. We had a strong programme of events planned, a new membership structure to implement and several new internal systems to embed. Things were looking up.

We were cautiously optimistic, moving several of our large events, including the Property Industry Awards, into the second half of the year in the hope this would bring greater certainty following the Government's restrictions on large gatherings. We were fortunate to hold the Green Property Summit in May with a record crowd of 441 attendees and were only three days away from the Property Industry Awards gala dinner when New Zealand was swiftly moved into Alert Level 4 at 11:59pm on 17 August 2021.

It is difficult to put into words the disruption this caused, not just to New Zealand as a whole, but to Property Council as an organisation. While we had learnt our lesson in 2020 and diversified our revenue streams to ensure we had less reliance on event income, this second round of lockdowns was more mentally draining for both our members and our team, dashing hopes and pressing pause on a number of projects and events.

Little did we know this would be the status quo, particularly in Auckland, until the end of March 2022.

In hindsight, the changes to our membership structure that came into play on 1 April 2021 were instrumental in not just reducing the administration of our membership, but in seeing us through this uncertainty.

Between the strong support shown by our members both in membership renewal rates and attendance at our programme of 'now online' national conferences, we were able to maintain a reasonable level of income. Once coupled with austerity measures and the support of a handful of larger members who contributed to our Financial Resilience Fund, this revenue has meant the organisation closed out FY2022 with a surplus of \$839,286 of which \$412,000 was additionally placed in the Financial Resilience Fund. As a not-for-profit organisation, every dollar of this surplus is reinvested in the business, with a majority being kept in reserves to further grow our Financial Resilience Fund.

On that note, I would like to take this opportunity to thank those Industry Leaders who chose to nearly triple their investment in Property Council in order to kickstart this fund; **Precinct Properties New Zealand, Goodman, Argosy Property, Property for Industry, AMP Capital, Stride Property/Investore and Kiwi Property.**

Thanks to their support, we have achieved \$1.15m in reserves as of 31 March 2022 and we expect to meet the \$2m Financial Resilience Fund target two years early, by 31 March 2023. All surpluses will continue to be reinvested in this fund until the target is reached.

April 2021 brought with it a new era for Property Council, including a new brand, website and CRM software that has revolutionised the way we work, present ourselves and communicate with our members, stakeholders and the public. While much of the groundwork for these initiatives was laid in FY2021, this year has brought new challenges as we learn how to utilise these tools to provide better service to members and tell our story. I would like to make special mention of the Property Council team for their willingness to learn and adapt during this period.

In particular, Rona Miller our Head of Operations for her tireless efforts in rewriting and implementing the Constitution, Bylaws and Operational Guidelines, as well as a new election process; Sara-Jane Evans, Head of Membership & Commercial Services, for leading her team of event and regional managers through the new CRM and event registration software, as well as fronting the campaign for changing our membership structure; to our finance team, Maryanne Sheehy and Consultant Roger Grove, who not only saw us through some very tough financial decisions but were also invaluable in the implementation of our new CRM; to our Head of Advocacy Katherine Wilson – and Acting Head of Advocacy Denise Lee – for steadfastly leading our members through rent relief crises, Build to Rent and Resource Reform campaigns and the litany of legislative change pushed through at short notice; and finally, to Head of Communications Kelly Taylor, who managed the rebranding of Property Council and our five national events in just three weeks, rewriting and designing our new website in time for the 1 April launch and making sure our members knew and understood what was going on at every step of the journey.

We are a small team of only 16 people, and yet we move mountains.

Speaking of moving mountains, event planning in a pandemic proved to be just that. For every event that was brought to life in the past year, there is a trail of postponements, cancellations, and online pivots. The Property Industry Awards were postponed twice before being run online. The Property People Awards were postponed twice and are now scheduled for the end of 2022. As lockdowns were extended and gathering restrictions continued, the Property Conference, Retail Conference and Residential Development Summit were all postponed and eventually taken online. It was an extremely challenging time and credit must go to Events Manager Catie Harris and our team of Regional Managers; Tasch Dodson, Sandra Brown, Sarah Rundstrom and Aleisha Hogarth for their patience and perseverance.

From an advocacy perspective, we were also as busy as ever, not just with business-as-usual regional plans and major legislative reform, but with some extraordinary matters that continued to create uncertainty. The issue of commercial rent relief dragged on as lockdowns progressed and Alert Levels changed to traffic lights (also known as the COVID-19 Protection Framework). Following consultation with our members, Property Council chose to take a leadership role on this issue by releasing industry guidelines in the absence of government advice.

We were incredibly disappointed in the Government's continued push for mandated rent relief, especially when a survey of 200 of our property owner members found they had provided over \$650 million in rent relief between March 2020 and November 2021.

While changes to the Property Law Act were eventually pushed through quite quickly, and the Government didn't take all our suggestions on board, they did agree that tenants should have to show some kind of economic loss when determining what a fair proportion of rent was. This helped alleviate our concerns that well-heeled international tenants whose businesses had continued to thrive during lockdowns could potentially demand rent relief from smaller, local landlords. A small tweak that minimised what could have been catastrophic damage for smaller property owners.

Of course, the year was not without its highlights. In particular, the release of the Property Industry Impact Report gave us solid data to support our advocacy positions and highlight the importance of the sector. As Scott mentioned, the report had several key points:

- Property is New Zealand's largest industry, accounting for 15% of total GDP.
- In 2019, the wider economic impact of the property industry was \$115.6 billion.
- As a sector, property employs 9% of New Zealand's workforce. 1 in 11 people are directly employed in property.

- 1.8 million Kiwis are unconscious property investors via their KiwiSaver schemes, with \$3.3 billion (44%) in KiwiSaver funds invested in property.
- In 2021, the value of listed property companies was approximately \$53.0 billion, representing 30% of the value of the entire New Zealand stock market.

Another highlight was the awarding of the Property Council Members' Laureate Award to two hugely valued members; John Dakin of Goodman and Peter Mence of Argosy Property.

I wish to pay tribute to them both for their leadership over many, many years. It is through the contribution of members like Peter and John that Property Council was founded in 1976 and it is through such commitment that the organisation continues to champion the property industry now, 46 years later.

We closed out the 2022 financial year in much the same fashion we started; with hope but caution.

In late 2021, the Government introduced the COVID-19 Protection Framework (CPF), or traffic light system. At this stage, cases of the virus were rapidly increasing and we had changed from an 'elimination strategy' to a 'learnt to live with it strategy'. Property Council elected to take a cautious approach to budget planning, knowing that it was impossible to predict how this strategy would play out and whether our members would have an appetite for attending live events.

By 31 March 2022, New Zealand remained in Red of the CPF and COVID case numbers had reached a 14,000 daily average; indoor gatherings were capped at 200 people, the requirement for contact tracing had eased and vaccine passes and mandates were about to be made redundant. By mid-April we would move to Orange of the CPF, allowing us to start planning events for the second half of the year.

Rather than jinx us once again by writing a message of optimism, I'd like to wrap up this year's missive by thanking our members, stakeholders and team for supporting and working hard to ensure that Property Council is future-fit and resilient. In contrast to just a few years ago, I now have absolute faith that our organisation is prepared for whatever lies ahead, be it further disruption or a return to business-as-usual.

This kind of security has only been achievable through the support of our members, and I remain honoured to continue to champion property – New Zealand's largest industry.

Kāhore taku toa i te toa takitahi, he toa takitini We cannot succeed without the support of those around us

FY22 at a glance

New Constitution

New Brand

New Membership Structure

New Membership Software

553

Member companies

83%

Member retention rate

63

New member companies

279

Key stakeholder meetings

34

Submissions to central and local government

1

Property Industry Impact Report

7090

Event attendees (despite restrictions!)

38

Events

17 Online 21 In person

40%

Female attendance at events

48%

female speakers at events

▲ up from 45% in FY21

\$1.38m

In event revenue

▼ down 11% on FY21

\$3.74m

In revenue

▲ up 2.5% on FY21

\$1.15m

in financial resilience reserves

▲ up 113% on FY21

\$839,286

Surplus

Our strategy

Whaia te iti kahurangi; ki te tuohu koe, me he maunga teitei.

Strive for excellence; you should only bow to the most lofty mountain.

In 2019, Property Council launched a transformational change project which heralded the arrival of a new strategic plan for the organisation. With 18 of the 19 priorities identified in the Strategic Plan now complete, the Strategic Plan 2022-2025 will be officially launched in September 2022.

Strategic Plan 2019-2022

Purpose	Together, shaping cities where communities thrive Whakarite taone e ora ai ngā hapori				
	LEADERSHIP We take bold steps so that the industry may follow. We make a difference.		AUTHENTICITY We act with honesty, integrity, respect and humility.	COMMUNITY We embrace collaboration and diversity of thought. We listen and communicate with positive intent to build relationships and understanding.	POSITIVITY We think big, act and communicate constructively, have fun and take pride in what we do.
Values	Inspirational Industry Leadership We are an industry leader that champions property.		Influential Advocacy We influence government and decision makers to support decisions that foster a thriving property industry.	Impactful Communications We showcase the property industry's contribution to the community and the New Zealand economy.	Exceptional Member Value We inform, educate and foster mutually beneficial relationships for our members and the wider industry.
Goals	A Dynamic & Secure Organisation We steer the ship, ensuring the organisation has the capability and capacity to deliver quality services to our members.				
2019 Priorities	1. Strengthen relationships. 2. Lead and collaborate. 3. Champion diversity and inclusion.	4. Reframe our advocacy focus. 5. Redefine our research	6. Showcase the property industry 7. Communication delivery.	8. Stronger member engagement.	9. Special interest group review. 10. "One company" culture 11. Accountability and performance. 12. A united Property Council system. 13. Assess and review our membership software.
	14. Champion vibrant, sustainable communities, precincts and cities.		15. Review Property Council's brand and positioning.	16. Expand our professional development initiatives. 17. Attract talent to our industry. 18. Leverage our members expertise and experience.	19. Review our membership and governance structure.
2020+ Priorities					

Our impact: a model

At the heart of our impact report is our impact model. The Property Council impact model diagram on the next page shows the impact goals we are working towards, and how our activities achieve those goals.

The four parts of this report connect to the four outcome areas described in the middle of the diagram.



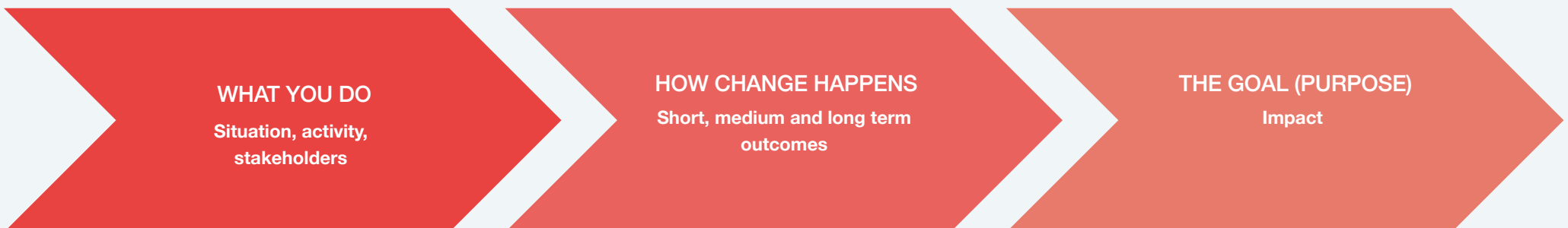
What is an impact model?

An impact model – also known as a theory of change – sits alongside an organisation’s business model and seeks to communicate what activity, delivered in what particular way, will deliver what positive outcome or impact.

Developing an impact model is essential for understanding the positive outcomes an organisation hopes to create.

An impact model compliments and builds on other organisational strategies, but informs the work you do every day – filling what’s known as ‘the missing middle’.

Example impact model





Our impact 2021/22

Statement of Service Performance

Purpose: Together, shaping cities where communities thrive.

1. What we do Property Council delivers a ranges of member services	2. How change happens Property Council acts as a collective voice, championing the property industry to influence policy makers while leading the property sector toward a stronger future for all New Zealanders.	3. Our impact Property Council uses its influence to create a regulatory environment that enables development, supporting the industry to shape cities and spaces where communities thrive.
<p>Property Council delivers these services</p> <ul style="list-style-type: none"> • Inspirational industry leadership • Influential advocacy • Communications with impact • Exceptional member value • A dynamic and secure organisation • Working with these stakeholders <p>Our members, aligned membership bodies and associations, local government, central government, government officials, industry partners, corporates/businesses, international partners.</p> <p>In this way</p> <p>Solution-focused advocacy, enduring partnerships, bold action, whole-system approach, evidence-led, outcome-focused, innovative, equitable, sustainable, partnership, excellence, best practice based.</p>	<div data-bbox="506 435 1151 624"> <p>OUTCOME AREA ONE Inspirational industry leadership We are an industry leader that champions property.</p> </div> <div data-bbox="506 644 1151 833"> <p>OUTCOME AREA TWO Influential advocacy We influence government and decision makers to support decisions that foster a thriving property industry.</p> </div> <div data-bbox="506 853 1151 1042"> <p>OUTCOME AREA THREE Communications with impact We showcase the property industry's contribution to the community and the New Zealand economy.</p> </div> <div data-bbox="506 1062 1151 1251"> <p>OUTCOME AREA FOUR Exceptional member value We inform, educate and foster mutually beneficial relationships for our members and the wider industry.</p> </div> <div data-bbox="506 1272 1151 1458"> <p>OUTCOME AREA FIVE A dynamic and secure organisation We steer the ship, ensuring the organisation has the capability and capacity to deliver quality services to our members.</p> </div>	<div data-bbox="1178 411 2116 639"> <p>Inspirational industry leadership</p> <ul style="list-style-type: none"> • The Property Impact Report • The Gender Diversity Report • The Speaker Hub • The 40:40:20 Pledge • The Emerging Leaders Programme • Conferences and events • The New Zealand Council of Retail Property/Retail Committee • Awards programmes • Enhancing relationships with key stakeholders </div> <div data-bbox="1178 660 2116 833"> <p>Influential advocacy</p> <ul style="list-style-type: none"> • Submissions to local and central government • Increased stakeholder meetings • Tangible advocacy wins and outcomes • Ongoing engagement with policy makers, preventing 'bad policy' before it comes into practice • A 'campaign-focus' for our advocacy projects </div> <div data-bbox="1178 853 2116 1026"> <p>Communications with impact</p> <ul style="list-style-type: none"> • New brand • New website • New email marketing/communications software • Improved member communications • Timely engagement with members • New branding for all five of our national events • Increased social media profile and audience </div> <div data-bbox="1178 1046 2116 1219"> <p>Exceptional member value</p> <ul style="list-style-type: none"> • National conferences and awards • New membership structure • Local in-person events • Regional touchpoints and local committees • Exclusive member-only webinars • An engaged regional membership underpinned by one national brand </div> <div data-bbox="1178 1240 2116 1458"> <p>A dynamic and secure organisation</p> <ul style="list-style-type: none"> • Financial Resilience Fund • A revised, modernised Constitution, Bylaws and Operational Protocols • A refreshed, easily-administered membership structure • Implementation of new membership software • Transparent and efficient election processes • Defined systems and processes for the organisation's operation </div>

Our outcome areas

What we are working towards

Outcome one

INSPIRATIONAL INDUSTRY LEADERSHIP

We are an industry leader that champions property.

Our outcomes for reporting

- Showcasing the Power of Property via the Property Industry Impact Report.
- Improved diversity and inclusion in the property industry via the Speaker Hub.
- Encouraging future industry leaders via the Emerging Leaders Programme.

Outcome two

INFLUENTIAL ADVOCACY

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

Our outcomes for reporting

- Submissions to local and central government.
- Increased stakeholder engagement.
- Tangible advocacy wins and outcomes.

Outcome three

COMMUNICATIONS WITH IMPACT

We showcase the property industry's contribution to the community and the New Zealand economy.

Our outcomes for reporting

- Property Council 2.0: a new brand and position.
- A refreshed online presence.
- Embracing Higher Logic

Outcome four

EXCEPTIONAL MEMBER VALUE

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

Our outcomes for reporting

- A strong, agile national events programme.
- Webinars that connect the regions.
- A show of support for our new membership structure.

Outcome five

A DYNAMIC AND SECURE ORGANISATION

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

Our outcomes for reporting

- Governance with a strategic overview.
- The Financial Resilience Fund.
- Our people.

How this report links to our impact model

This report steps through the parts of our impact model, in order.

Part one highlights activity from the first column of the impact model diagram – the things we do.

Part two looks at the five outcome areas described in the centre of the diagram. These areas describe what we are working towards. Underneath each outcome area, we are reporting on three indicators to tell the story of how we are tracking.

Part three shows a summary of the impact we are enabling.



The year in review

A timeline of the year

All of New Zealand is at Alert Level 1.

Property Council submitted on the **Auckland Transport Regional Land Transport Plan 2021-31**, and Long-term Plans for **Rotorua Lakes District Council**, **Hamilton City Council**, **Dunedin City Council** and **Christchurch City Council**.

April 2021



May 2021

Property Council submitted on the **inquiry into congestion pricing in Auckland**, the **Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Bill** and the **Building Code Update 2021 and operating protocols**.

On 6 May, our only in-person conference of the year was held with the **Green Property Summit** welcoming its largest-ever audience of 460 guests to Auckland's Aotea Centre.

Wellington moves to Alert Level 2 on 23 June, before being put back in Alert Level 1 on 29 June.

Property Council submitted on **Building System Reform (Phase II)**, the **New Zealand Infrastructure Strategy Consultation Document** and **Tauranga City Council Long-term Plan 2021-31**.

June 2021

Property Council releases the **Gender Diversity Report**, highlighting a power gap between the sexes.

All of New Zealand moves to Alert Level 4 on 17 August, three days before the **Property Industry Awards** were due to be held.



Following the last-minute cancellation of the **Property Industry Awards**, New Zealand's largest gala dinner, all pre-purchased food is donated to the Auckland City Mission.

Property Council submitted on the **Environment Committee's Inquiry into the Natural and Built Environment Bill**.

Everywhere south of Auckland moves to Alert Level 3, Auckland and Northland remain at Alert Level 4.

August 2021



July 2021

Property Council submitted on the Government's **Policy Statement on Housing and Urban Development: Discussion Document** and **interest deductibility consultation**.

Property Council released the **Property Industry Impact Report**, supporting the research with a 'Power of Property' campaign.

September 2021

On 2 September, Auckland remains at Alert Level 4, while Northland and the rest of New Zealand is at Alert Level 3. Five days later, the rest of New Zealand moves to Alert Level 2, with Auckland eventually moving to Alert Level 3 on 21 September.

The Property Conference was delivered virtually to 403 delegates – our largest audience ever – with registrants given the option of a partial refund, a 'pay it forward' ticket or to support Property Council.

The Government announces its proposal to amend the Property Law Act

Property Council submitted on the **proposed changes to Hamilton District Plan** as required under the National Policy Statement on Urban Development.

Auckland remains at Alert Level 3. The rest of New Zealand remains at Alert Level 2.

Property Council continued its **Build to Rent campaign**, with fresh statistics showing up to 25,000 BTR homes could be built in a decade should the Government choose to enable BTR.

Property Council submitted on the **COVID-19 Response (Management Measures) Legislation Bill** and **Auckland Council's draft Development Contribution Policy**.

October 2021

Auckland and much of the upper North Island move to Red of the COVID-19 Protection Framework (CPF) on 2 December, with a move to Orange on 30 December for all regions except Northland.

Property Council submitted on **Wellington City Council's Draft District Plan 2021** and **Let's Get Wellington Moving**.

December 2021

Property Council submitted on the **Commerce Commission's Residential Building Supplies Market Study consultation**, calling for a broadening of the scope of the study to consider other major impacts on demand.

Property Council submitted on the **Our Future Resource Management discussion document**, asking for greater detail on how all of the components of the future system will work in cohesion with each other.

February 2022

November 2021

After a postponement and virtual pivot, the Retail Conference // RECON21 was delivered online to an audience of 263 attendees on 2 November.

Property Council submitted on the **Taxation (Annual Rates for 2021-22, GST, and Remedial Matters) Bill**, **Waikato's Future Proof Strategy**, the **Resource Management (Housing Supply and Other Matters) Bill**, the **Transitioning to a low-emissions and climate-resilient future consultation** and **Wellington City Council's Draft Development Contributions Policy**.

Following several pandemic-induced disruptions, the **Property Council New Zealand Rider Levett Bucknall Property Industry Awards** Ceremony was presented online as a virtual broadcast, with Precinct Property's PwC Tower at Commercial Bay being crowned Supreme Winner.

Auckland moves to 'Step 2' of Alert Level 3 on 9 November until the retirement of the Alert Level system and introduction of the COVID-19 Protection Framework (traffic light system).



January 2022

Aotearoa's first confirmed Omicron community cases are confirmed. All of New Zealand moves to Red on 23 January. The Government introduces Omicron phases as the outbreak grows.

March 2022

Property Council submitted on the **Auckland Council Draft Annual Budget 2022-23**, recommending that the Council consider using unspent funds from the regional fuel tax to partly fund its proposed climate and transport investment.

On 15 March, Property Council in partnership with Yardi released the inaugural **Yardi/Property Council Proptech Report**.

On 25 March, the CPF/traffic light settings are changed to increase indoor gathering limits to 200 people and end the need for contact tracing.

The **Residential Development Summit** was delivered on 29 March as an online event, bringing together 380 attendees from around Aotearoa for a day of virtual learning.

Part one: What we do

Our services deliver value to members.

Property Council worked with more than 800 member and stakeholder organisations over the course of the 2021/22 financial year.

We delivered a wide range of services, all geared towards enabling our members to shape cities where communities thrive. We are focused on outcomes, and led by evidence. We work in intentional, value-driven ways to ensure our activities lead to the greatest impact.

Industry leadership

We represent the industry, nurturing our relationships with politicians, officials and key stakeholders and promoting important, industry-wide initiatives such as diversity and inclusion and talent development as well as fronting campaigns in the media and via industry and public speaking engagements.

National events

Our national events team delivers five conferences and awards programmes a year, including the Residential Development Summit, Property Conference, Retail Conference, Green Property Summit (biennial), Offset|Reset (biennial) and the Property Industry Awards.

Communications

Property Council provides regular touchpoint communications with members, including fortnightly Property Voice newsletters, weekly event invitations, regular news stories published on our website and a steady schedule of social media content via our LinkedIn and Facebook channels. We also present a strong public face to the property industry, with chief executive Leonie Freeman regularly seen and heard across mainstream media.

Advocacy

We work with stakeholders, members and central and local government, acting as a conduit for solid, solution-focused ideas that enable development.

Webinars

New to Property Council in 2020, FY22 saw us deliver 17 free online webinars to members featuring Ministers and politicians, industry leaders and regular member updates.

Regional events

We provided over 20 topical, timely, regionally-focused events in the Auckland, Central, Wellington and the South Island regions, delivered by a local Regional Manager who knows and understands our members.

Research

With an imminent overhaul of Property Council's research strategy in the planning stages, two projects were launched in mid 2021; the Property Industry Impact Report and the Gender Diversity Report.

All of our work has four values at its core:



LEADERSHIP

We take bold steps so that the industry may follow. We make a difference.



COMMUNITY

We embrace collaboration and diversity of thought. We listen and communicate with positive intent to build relationships and understanding.



AUTHENTICITY

We act with honesty, integrity, respect and humility.



POSITIVITY

We think big, act and communicate constructively, have fun and take pride in what we do.

Part two: Outcomes and indicators

Outcome one: Inspirational industry leadership

Outcome

What we're working towards

We are an industry leader that champions property.

Indicators

How we're tracking

We've led through

- The Property Impact Report
- The Gender Diversity Report
- The 40:40:20 Pledge
- The Emerging Leaders Programme
- The Speaker Hub
- Conferences and events
- The New Zealand Council of Retail Property
- Awards programmes
- Building and maintaining relationships with key stakeholders.

Industry Leadership

Examples of inspirational industry leadership

The power of property

The Property Industry Impact Report was commissioned by Property Council New Zealand in partnership with Urban Economics to measure the scope and impact of the property industry on the New Zealand economy – both nationally and in the main regions.

It is based on analysis of the property industry's economic contribution, size, value and employment numbers. The statistics reinforce the significant role the property industry has on the New Zealand economy and the importance of the work which the Property Council undertakes.



Gender Diversity Report

For the first time, the Property Council has commissioned McKinsey & Company to conduct benchmark research of its members to understand the industry's current state of gender diversity.

This research will help create awareness of the issues around gender diversity and inclusion, and provide insights into how the industry might address the issues.

Over the coming years, the Property Council will continue to measure and report on diversity and inclusion in the sector, not just with regard to gender, but also broader inclusivity, charting our progress and successes.

Key findings:

- As a total, the PCNZ working population is just within balance (balance is defined as having at least 40% of employees of each gender), with 59% male and 41% female.
- Women are however under-represented in management, with for example only 20% of KMP positions held by women.
- Gender diversity at non-management levels is far more balanced, highlighting a "power gap".
- Females at "property companies who supply to property investment companies" make up only 36% of the workforce, highlighting a "participation gap". That is, a gender imbalance in organisations' workforce as a whole which can be seen at all levels, including with frontline positions.

2020 PCNZ: Data Summary

Overall Data

24 participating members in 2020 reporting with:
5,442 total employees (including board)

Gender Data

Overall
41% Women
59% Men
2,218 employees surveyed

Work categories

	Total number	% Female
Board	108	30.6%
KMP	121	18.9%
Other Exec/GM	114	26.3%
Senior Management	289	30.1%
Other Managers	737	22.1%
Non-Managers	4073	46.2%

Data has been split across 3 sub-sectors

'Property Investor'

Property investment companies/owner developers

Adrian, Andrew, David, Deborah, George, Chris, Guy, Property, Nigel, Richard, Simon, David, Property, Group, Richard, Development, Auckland, Phoenix Properties, Property for Industry, Simon, The Ministerial Management, Simon, Paul, Management

'Supplier to investors'

Property companies who supply to property investment companies

Simon, David, George, Nigel, Richard, Development, Auckland, Phoenix Properties, Property for Industry, Simon, The Ministerial Management, Simon, Paul, Management

'Professional services'

Property teams within professional services who supply to property investment companies

Simon, David, George, Nigel, Richard, Development, Auckland, Phoenix Properties, Property for Industry, Simon, The Ministerial Management, Simon, Paul, Management

Emerging Leaders Programme

Now in its fourth year, the Emerging Leaders Programme has struck a chord with mentors and mentees alike as a programme of true value and depth.

Supported by the professionals at the New Zealand Coaching and Mentoring Centre, participants received expert training and facilitation with scheduled touch points throughout the year to ensure everyone gets maximum value.



“Being mentored by an industry leader with a very wide range of experiences in both private and public sectors, Paul showed me what I needed to do to succeed in my role and how I can potentially advance with my career. I felt stuck in my career and during this programme, I was able to move on from property management to a more specialist role in the public works realm of local government.”
– **Charly Baik, 2021 Mentee**

“The biggest gain for me was seeing Charly develop his interpersonal skills and grow in confidence in his own abilities and expertise and to use the insights gained to build his career. For me, the reward was seeing the process work out as well as it has and building a relationship that will endure.”
– **Paul Spackman, 2021 Mentor**



The Speaker Hub

As part of the Property Council’s diversity and inclusion journey, in 2020 the D&I Committee created one central hub where the wider property industry can come to find top industry talent to present at industry events, panels and conferences.

One of the biggest hurdles to getting women front and centre is talent hunting – we know there are hundreds of people out there who would make excellent speakers and we want to encourage them to put their hands up. To do so, we have developed this database of speakers – both male and female – which will be available for the wider industry to use as they wish. This offer is not exclusively for women – as diversity comes in all shapes and sizes – this is an invitation to the property industry at large.

This directory has grown to include over 25 industry speakers, all with diverse backgrounds and expertise.



Outcome two: Influential advocacy

Outcome

What we're working towards

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

Indicators

How we're tracking

We've provided industry advocacy through

- Submissions to local and central government
- Increased stakeholder meetings
- Tangible advocacy wins and outcomes
- A revised 'campaign-focus' for our advocacy projects
- 34 submissions to local and central government
- 279 stakeholder meetings and engagement.

Influential advocacy

Examples of influential advocacy

Submissions to local and central government

Our advocacy team delivered 34 submissions in FY22, with 19 of these submitted to local government (e.g. Annual Plans) and 15 submitted to central government (e.g. The Commerce Commission's Residential Building Supplies Market Study).

Key submission topics included:

- Annual plans for Auckland Council, Christchurch City Council, Tauranga City Council, Wellington City Council, Hamilton City Council, Dunedin City Council, Queenstown Lakes District Council, Waipa District Council, Hutt City Council and Rotorua Lakes District Council
- Our Future Resource Management and the Resource Management (Housing Supply and Other Matters) Bill
- COVID-19 Response (Management Measures) Legislation Bill
- The Government's Interest Deductibility consultation
- The Government Policy Statement on Housing and Urban Development Discussion Document
- Environment Committee's Inquiry into the Natural and Built Environment Bill
- Auckland Transport Regional Land Transport Plan 2021-31
- Let's Get Wellington Moving consultation.

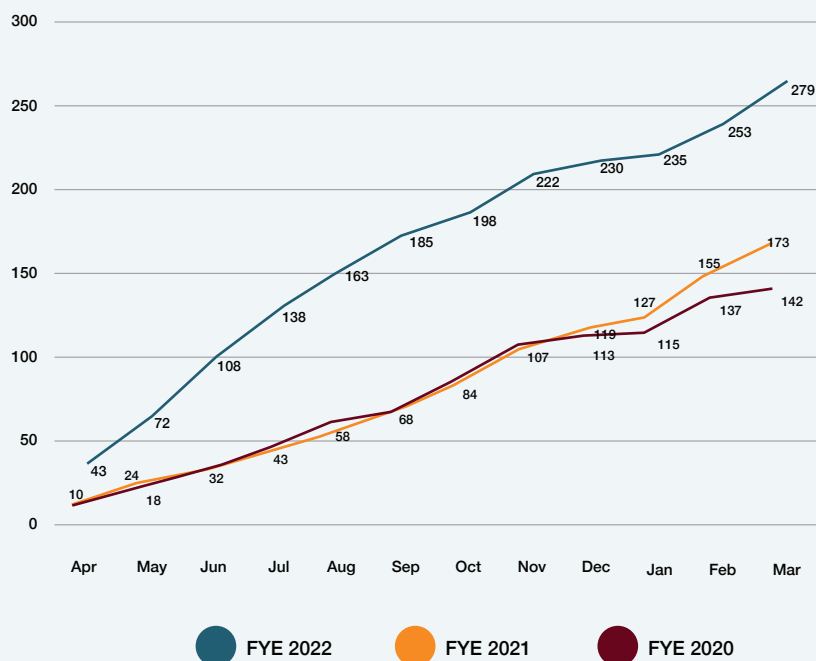
Increased stakeholder engagement

2021/22 has seen our engagement with Ministers, politicians, officials and stakeholders dramatically increase.

279 stakeholder meetings were held throughout FY22, with politicians from all parties and all sectors of government engaging with us and cementing enduring relationships. Compare this to FY21, when 173 stakeholder meetings were held, or FY20, when 142 meetings were held and you can soon see that much of our impact is often made behind closed doors.

This increased engagement with policy makers enhances our influence, creating a platform for us to promote the property industry as the backbone of the economy. With hundreds of organisations berating the Government in the media and calling for their point of view to be heard, we have learned that real influence is made before policies are public, by positioning ourselves as trusted advisors with real-world experience we have an opportunity to prevent poor policy before it ever officially happens.

Stakeholder Engagement Tracker 2020 – 2022



Tangible outcomes

Advocacy is a marathon, not a sprint, which can sometimes make tangible outcomes very difficult to measure week on week or even year on year. Relationships take many years to build, and we work hard to consistently prove that we understand the issues, have a deep knowledge of the New Zealand property ecosystem and can offer solutions to policy makers that help us all achieve our goals.

We are very pleased that Property Council has achieved the following tangible advocacy outcomes in FY22:

- Our continued efforts to prevent the introduction of new commercial rent relief legislation resulted in significant amendments to the final legislation, with tenants required to be means-tested rather than provided with blanket rent relief when their business continued to thrive.
- In the absence of government action, we also produced the Property Industry Operational Guidelines to support the legislation, giving property owners a blueprint for fair and reasonable negotiations.
- Continuing our Build to Rent (BTR) campaign from FY2021, Property Council has had regular engagement with the Minister of Housing and Urban Development, Hon Dr Megan Woods, who agreed to form a Build to Rent reference group with a selection of members. Property Council played a key role in leading BTR discussions with the Minister and officials.
- Following over six years of lobbying, the Government announced it will review the fire levies model used to fund the fire service and this year, made Property Council a key part of its consultation by giving us a seat on the FENZ Ministerial Reference Group.
- In 2021, the Government announced a comprehensive review of the resource management system, a review we have been calling for as part of our work with Business NZ, the Northern Employers' and Manufacturers Association, Environmental Defence Society, and Infrastructure NZ under the banner of Resource Reform NZ. This year, Property Council has remained key advisors to the Ministry for the Environment on Resource Reform, road-testing provisions before they are made public.
- The release of the Property Industry Impact Report not only showcased the valuable contribution of the property sector to the New Zealand economy, it also helped add gravitas to our advocacy submissions and meetings with politicians and officials. After all, it's hard to ignore New Zealand's largest industry.

Outcome three: Communications with impact

Outcome

What we're working towards

We showcase the property industry's contribution to the community and the New Zealand economy.

Indicators

How we're tracking

We've delivered communications with impact through

- A refreshed brand and positioning
- New website
- New email marketing/communications software
- Improved member communications
- Timely engagement with members
- New branding for all five of our national events
- Increased social media profile and audience.

Communications with impact

Examples of communications with impact

Meet Property Council 2.0

In alignment with the launch of our new membership and governance structure as well as our new CRM software and website, it was decided in late 2020 that the original Property Council New Zealand brand and five event sub-brands also needed a refresh.

In just under one month, Head of Communications Kelly Taylor worked with Christchurch agency Attraction Studio to update our brand identity to reflect our refreshed organisational strategy and values.



Property Council's new shop window

Due to the integration between Property Council's previous CRM software and website, the upgrade to a new Microsoft Dynamics-based membership CRM, Upbeat, also meant an upgrade to a WordPress-based website. The process of reading, editing and culling the 2000+ webpages that had been live on our old site was a long one – while we were very keen to condense the huge volume of information, we also didn't want to lose any of the historical data.

After several months of rewriting content and reorganising the structure of the site, we now have an intuitive, easy-to-navigate website with enough depth to tell the story, without overwhelming visitors. More so, the site tells visitors exactly who we are and what we do from the outset, alleviating some of the past confusion between Property Council New Zealand and the likes of the Property Institute of New Zealand.

Perhaps more importantly, this new shop window integrates seamlessly with our CRM, allowing for easy online registration and ensuring consistent member data is maintained across our entire suite of systems.

The WordPress platform has also meant we have greater control over the design of the website and can integrate videos, image galleries and varying layouts with ease – providing a better experience for our members and helping to clearly articulate our purpose and the significance of our industry

Embracing Higher Logic

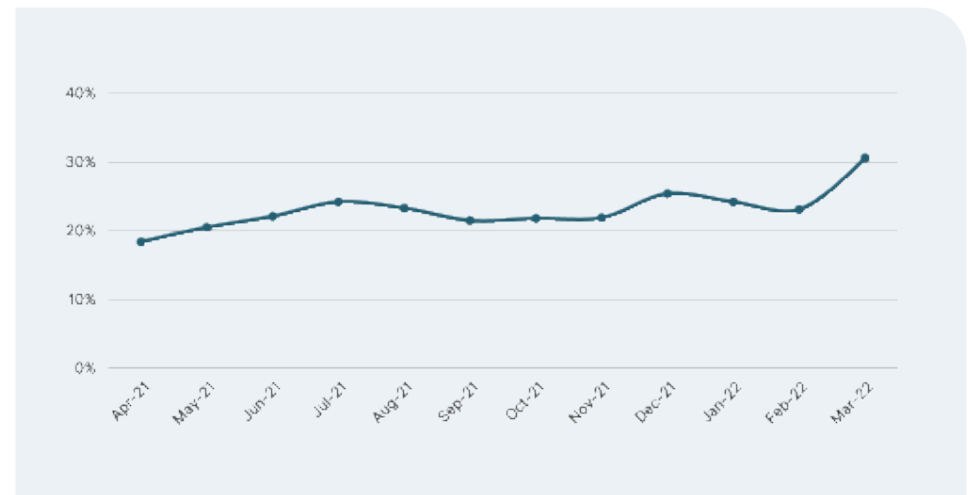
A key catalyst for choosing Upbeat as our CRM was its integration with a revolutionary member and customer engagement software called Higher Logic.

For Property Council, Higher Logic has two key uses:

1. Email marketing campaigns – with a majority of our marketing and promotion of events and services delivered via email, it is imperative that we have email marketing software that integrates with both our website and our CRM. Rather than 'sending blind' as we have in the past, we can now track trends, collect data and use this information to tailor a personalised experience for every member.

2. Online community – while we had been exploring ways of bringing our members together online previously, the pandemic proved more than ever that it is vital to have a place for members to collaborate and engage that meets them where they are at. This is especially true once we considered our Diversity & Inclusion initiatives and broad geographical spread. Higher Logic's online community platform will give our members a space to connect, create and innovate.

To date, the email marketing segment of the software has been successful, with open rates steadily increasing throughout the year.



Note: The average open rate for real estate, design and construction industries in 2022 is 21.7%

Outcome four: Exceptional member value

Outcome

What we're working towards

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

Indicators

How we're tracking

We've delivered exceptional member value through

- National conferences and awards
- A new membership structure
- Exclusive member-only webinars
- Local in-person events
- Regional touchpoints and local committees
- An engaged regional membership underpinned by one national brand.

Exceptional member value

Examples of exceptional member value

National events carry us through stormy seas

A quick study of this year's Financial Statements, coupled with consideration of government event restrictions throughout the year may leave many confused as to how Property Council managed to emerge from FY22 in such good financial shape. The answer lies in our national events programme.

With local events effectively on pause between August 2021 and March 2022, the only opportunity for Property Council to maintain our event revenue was through our online programme of conferences. While we would have much preferred to run these events in-person, the ability to quickly and efficiently take these events online, along with the budgeting skills of Events Manager Catie Harris, meant these events were not only delivered, they also met budget and relieved the pressure on other areas of the business.

Of the total event attendees in FY22, 2,919 were delegates at national events – that's 41% of overall attendees – all online except for the Green Property Summit, which was delivered in-person in May 2021.

Webinars maintain our connection with the regions

Another vital part of our event arsenal in FY22 was our free member-only webinars. Over 2,100 members attended 17 free webinars throughout the year, allowing us to reach members in all corners of New Zealand, providing free, topical education that provided value and substance.

Highlights included:

- International Women's Day: Leadership & Diversity (206 attendees)
- Off the Record with our Industry Leaders (460 attendees)
- Leonie Live with Rick Herd and Phil Eaton (309 attendees)
- Build to Rent 101 (229 attendees)

Support for our new membership structure

1 April 2021 heralded the launch of Property Council's new, streamlined membership structure. Previously Property Council's membership structure was unwieldy. Members were segregated into regions (Auckland, Waikato, Bay of Plenty, Wellington, the South Island and an Otago Chapter), then further categorised into no fewer than 11 membership types resulting in over 60 different membership categories. This made the administration of our membership extremely complex and difficult to promote to prospective members.

With the arrival of our new Constitution on 1 January 2021, we had the ability to provide value at a national level while still enabling our local committees to drive regional workstreams and events. Member companies are no longer be segregated into regional silos. This in turn slightly increased some members' fees, while other members found themselves paying slightly less than in the past as they moved from paying several branch membership fees per regional office to one fee nationwide.

The consultation, preparation and implementation of this structure was immense, but worth it, with 83% of members renewing their membership for the 2022 financial year and a further 63 companies signing on as new members in FY22.

We ended the financial year with 553 member companies in total.



Outcome five: A dynamic and secure organisation

Outcome

What we're working towards

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

Indicators

How we're tracking

We've ensured a dynamic and secure organisation through

- Implementing a new era of governance
- The Financial Resilience Fund
- A refreshed, easily-administered membership structure
- Implementation of new membership software
- Defined systems and processes for the organisation's operations
- A streamlined staffing structure.

Dynamic and secure organisation

Examples of a dynamic organisation

Implementing a new era of governance

While much of the preparation for our new governance structure was done in FY21, the real work began when we sent out membership subscription invoices in April 2021 and launched a communications plan to take our members on the journey with us.

In accordance with the Constitution, the Property Council New Zealand Transition Board was appointed, adopting a more 'corporate style' of governance.

The Transition Board replaced the existing National Council and Executive Committee, streamlining Property Council's governance structure and allowing a separate Advisory Group (which consists of all Industry Leaders and the Chairpeople of each Property Council committee) to concentrate purely on our advocacy priorities and member services, without getting weighed down in operational matters.

The Transition Board lent their considerable expertise to help govern the organisation and remained in place until members were formally elected onto this board by Property Council's wider membership in September 2021, with the inaugural term for the National Board commencing 1 November 2021.

Special Transitional Committees were also put together in Otago/the South Island and Waikato/the Bay of Plenty to work out what governance in these regions would look like with the merger of the respective branches and chapter. These committees were tasked with defining a Charter for the new regional committee, providing clear roles and responsibilities for our regional representatives. This was certainly not an easy or quick process, with careful consideration given by both Transitional Committees to ensure the future of the Regional Committees remained clear and consistent. These committees were formalised with a Charter and officially commenced following the 2021 elections on 1 November.

The financial stability to plan for the future

Back in 2020, with little reserves and the disruption of COVID-19 upending our revenue streams, Property Council faced an uncertain future.

While every effort was made to cut costs, strategise and streamline operations, we knew we had to build reserves quickly or face continued disruption and restructure.

In mid-2020, the management team approached National Council with a request for a Corporate Leader Special Levy, aimed at raising \$500,000 to build Property Council's cash reserves and create a sustainable financial position for the organisation. The intention was to build a Financial Resilience Fund of \$2 million over the next five years through a voluntary Special Levy for Corporate Leaders in FY21, an increase in membership fees in the next financial year, and Property Council achieving operational surpluses each year which would be invested into the fund.

The National Council approved this request on the basis that those who contribute acknowledge that although their investment is greater, they remain committed to the collective voice of property and warrant no additional influence over Property Council's operations or strategy.

We are immensely proud to report that between an excellent member retention rate, strong national event surpluses, austerity measures, and the support of those members who contributed to the Fund, we have achieved \$1.15m in reserves as of 31 March 2022 and we expect to meet the \$2m Financial Resilience Fund target two years early, by 31 March 2023. All surpluses will continue to be reinvested in this fund until the target is reached.

We sincerely thank those members who voluntarily chose to contribute to this fund:



Our people

National Board

The National Board is tasked with providing strategic direction of the organisation in close consultation with members.

We wish to acknowledge the contribution of Stephen Gracey of Rider Levett Bucknall and Phil Littlewood of Stride Property, who retired from the Board on 31 October 2021, and welcome Angela Bull of Tramco and Patrick Dougherty of Kāinga Ora – Homes and Communities, who stepped into their Board roles on 1 November 2021. We also thank Mark Thomson of Auckland Airport, who was reappointed to his position on the National Board for a two-year term at the same time.



Scott Pritchard
Precinct Properties
National Chair



Mark Thomson
Auckland Airport



Clive Mackenzie
Kiwi Property



Angela Bull
Tramco



Patrick Dougherty
Kāinga Ora – Homes
and Communities



Anna Crosbie
Russell McVeagh



James Riddoch
Greenwood Roche
South Island Regional Chair

Our Team



Leonie Freeman
Chief Executive



Sara-Jane Evans
Head of Membership and
Commercial Services



Maryanne Sheehy
Head of Finance



Kelly Taylor
Head of
Communications



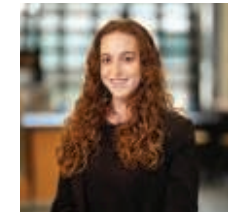
Rona Miller
Head of Operations



Katherine Wilson
Head of Advocacy



Catie Harris
Events Manager



Emma Porritt
Events Coordinator



Logan Rainey
Advocacy Advisor



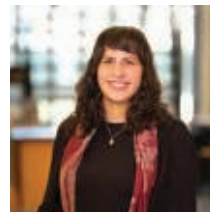
**Sandamali
Gunawardena**
Advocacy Advisor



Tasch Dodson
Auckland Regional
Manager



Aleisha Hogarth
South Island
Regional Manager



Sandra Brown
Wellington Regional
Manager



Sarah Rundstrom
Central Regional
Manager



Denise Lee
Advocacy Consultant



Roger Grove
Financial Consultant

Our industry leaders



Part three: Impact summary

Together, shaping cities where communities thrive

Property Council is the one organisation that collectively champions Aotearoa's largest industry - property.

We bring together members from all corners of the property eco system to advocate for reduced red tape that enables development.

Our members shape the cities and spaces where New Zealanders live, work, play and shop.

10,000+

Property professionals connected

15%

Property accounts for 15% of NZ's GDP

553

Member companies

200,000

People employed in property

Our impact aligns most strongly to seven UN Sustainable Development Goals



Our Finances

The cost of impact and influence

In the last financial year, the cost of providing advocacy, event and research services to our membership was \$2.588 million.

Total operating revenue was up slightly from last year with operational revenue up 2.5% to \$3.742 million (from \$3.651m in FY21), mainly due to the excellent performance of our national events programme and organisational austerity measures.

Key expenses in the period included:

- \$655,936 paid in operational expenses.
- \$774,231 to run our events.
- \$177,538 paid to keep a roof over our heads in Auckland, Wellington and Christchurch.
- Employee costs continue to be the biggest outlay for the organisation.

Movements from the previous year include:

- Lower event revenue and cost of sales (due to the pause in live events caused by lockdowns and restrictions).
- Increased membership subscription revenue.
- Lower policy costs (down from \$47,200 in FY21 to \$7,425 in FY22).
- Increased employee costs.
- Through careful management of costs, the organisation was able to achieve a total surplus of \$839,286. This surplus is comprised of an Operational Surplus of \$427,286 and Financial Resilience Reserve Special Levies of \$412,000.

Surplus/deficit over time

2022	\$839,286*
2021	\$771,942**
2020	\$41,274
2019	(\$123,018)
2018	(\$104,129)
2017	\$50,467
2016	(\$19,197)
2015	\$30,507
2014	(\$64,157)
2013	\$84,754
2012	(\$112,430)

*Includes Financial Resilience Reserve Special Levy of \$412,000

**Includes Financial Resilience Reserve Special Levy of \$541,051 and Wage Subsidy of \$112,474

Where does the funding come from?

Property Council New Zealand's total operational revenue was \$3.74 million, an increase of \$91 thousand 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 \$389 thousand.
- A decrease in event revenue of \$162 thousand.
- A decrease in other revenue (largely comprised of the Financial Resilience Reserve Special Levy) of \$377 thousand.

At the end of FY22, Property Council's net assets have increased by \$839,286 being the surplus for the year.

Total equity, including Accumulated Revenue and Expense as well as the Financial Resilience Reserve, now sits at \$2.4 million.

Changes in the balance sheet for FY22 include:

- An increase in membership income in advance of \$53 thousand. This was due to new members joining between December and March being invoiced for the next financial year.
- An increase of event revenue in advance of \$329 thousand. This was partially offset by an increase in prepayments of \$209 thousand.
- A decrease in receivables of \$49 thousand due to an increased focus on minimising overdue debt.
- An increase in cash and term deposits of \$1 million. This is primarily due to the Financial Resilience Fund Reserve funds.

As an organisation, we have worked extremely hard to reduce overheads and cut costs where possible. Achieving a \$427,286 operational surplus, despite the pandemic is a huge shift from where the organisation has been in the past.

Thanks to our Industry Leaders and revised membership structure we are ahead of target to build our reserves by the aimed \$2 million, with the Fund expected to reach this by FY24. We thank our members and our governance team for their support during this time.

Summarised consolidated financial statements

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2022

	Note	2022 \$	2021 \$
Revenue			
Revenue from exchange transactions	3	3,741,868	3,650,574
Cost of sales	4	(774,231)	(1,108,066)
Gross profit		2,967,638	2,542,508
Revenue from non-exchange transactions	3	412,000	653,525
Interest income		20,930	11,975
Other income		26,396	20,340
		3,427,055	3,228,348
Less: expenses			
Operational expenses		(655,936)	(718,396)
Depreciation and amortisation expense	4	(63,109)	(37,824)
Employee benefits expense	4	(1,691,094)	(1,536,827)
Occupancy expense		(177,538)	(163,359)
		(2,587,678)	(2,456,406)
Surplus for the year		839,286	771,942
Total comprehensive revenue and expense for the year		839,286	771,942

Consolidated Statement of Changes in Net Assets/Equity

For the year ended 31 March 2022

	Note	Accumulated revenue and expense \$	Financial resilience reserve \$	Total equity \$
Balance as at 1 April 2020		797,820	-	797,820
Surplus for the year		771,942	-	771,942
Total comprehensive revenue and expense for the year		771,942	-	771,942
		1,569,762	-	1,569,762
Transfer to financial resilience reserve	15	(541,051)	541,051	-
Balance as at 31 March 2021		1,028,711	541,051	1,569,762
Balance as at 1 April 2021		1,028,711	541,051	1,569,762
Surplus for the year		839,286	-	839,286
Total comprehensive revenue and expense for the year		839,286	-	839,286
		1,867,997	541,051	2,409,048
Transfer to financial resilience reserve	15	(612,000)	612,000	-
Balance as at 31 March 2022		1,255,997	1,153,051	2,409,048

Consolidated Statement of Financial Position

For the year ended 31 March 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	6	1,003,020	475,876
Receivables from exchange transactions	7	56,872	106,331
Inventories	8	10,766	12,393
Other financial assets	9	1,660,035	1,176,344
Other assets	10	429,177	220,608
Total current assets		3,159,870	1,991,552
Non-current assets			
Property, plant and equipment	11	121,732	125,776
Intangible assets	12	46,408	66,463
Total non-current assets		168,140	192,239
Total assets		3,328,010	2,183,791
Current liabilities			
Payables from exchange transactions	13	139,374	210,798
Employee benefit liabilities		165,517	162,664
Revenue in advance	14	614,071	240,567
Total current liabilities		918,962	614,029
Total liabilities		918,962	614,029
Net assets		2,409,048	1,569,762
Equity			
Accumulated revenue and expense		1,255,997	1,028,711
Special levy reserve	15	1,153,051	541,051
Total equity		2,409,048	1,569,762

Approved on behalf of the Board, dated 9 August 2022

Leonie Freeman
Chief Executive

Scott Pritchard
National Chair

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Proceeds from members		2,950,244	1,701,123
Proceeds from events		1,064,855	1,422,895
Proceeds from other revenue		569,634	881,991
Interest received		21,050	14,248
Payments to suppliers		(1,866,571)	(1,797,089)
Payments to employees		(1,688,241)	(1,563,444)
Net cash provided by operating activities		1,050,971	659,724
Cash flow from investing activities			
Payments for property, plant and equipment		(20,385)	(14,212)
Payments for intangible assets		(19,752)	(56,374)
Payments for short term deposits		(483,691)	(685,360)
Net cash used in investing activities		(523,828)	(755,946)
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the financial year		475,876	572,098
Net increase / (decrease) in cash and cash equivalents held		527,143	(96,222)
Cash and cash equivalents at end of financial year	6	1,003,020	475,876

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, BDO.

Our full audited financial statements are available for viewing on our website at 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.



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