



Media Information

23 August 2016

Strong financial result for Lands Trust

The value of property assets owned by the Masterton community through Lands Trust Masterton has increased to a record \$71 million, one of several positive results for the 2016 financial year, announced at the 144-year-old trust's Annual General Meeting.

“Long-term commitment to investing in properties that meet the needs of tenants and the community underpins the strong results achieved across the board for the last financial year,” trust chairperson Leanne Southey said.

“This commitment is reflected in 100 percent occupancy of all available buildings as at 31 March 2016, the end of the trust's financial year.”

In other results, equity rose to a new high of \$42 million, an increase of 3.5 percent on 2015. Operating surplus increased by 6.6 percent to \$1.1 million and rental income increased by 6.2 percent to \$4.8 million.

As a result, grants to the Masterton community for educational, cultural and community purposes increased by 10.9 percent to \$1.01 million. Almost \$338,000 was granted to education providers from early childhood to tertiary levels.

During the year, an independent review of the trust's education grants programme provided insights into how future education funding could be structured to deliver maximum benefit. The review resulted in the appointment of education professional Colleen Douglas to assist the trust further develop its education strategy and grants programme.

“We appreciated the involvement of our education community in the review and remain committed to our core role of providing funding for education in Masterton,” Miss Southey said. The revised education funding structure will be introduced in 2017.

The community grants programme provided more than \$314,000 to 44 community organisations with an additional \$360,750 in concessional rental grants provided to five organisations including Aratoi.

Miss Southey said other non-financial returns to the community were provided by a number of properties that are provided by the trust for community use. "About twelve percent of the property portfolio's value provides social, cultural and recreational dividends to the community that cannot be measured in financial terms. These properties, such as Millennium Reserve in Pownall Street, enrich our community in many ways on an on-going basis."

In contrast, 86 percent of the trust's property assets were commercially-rented and achieved a return of 7.3 percent. A further two percent of trust property assets are held for future development do not provide a financial return.

Numerous property upgrades completed during the year included redesign and refurbishment of the building at 395 Queen Street for new tenants, Tile Warehouse and South Wairarapa Vets. Seven more properties received upgrades including five shops in Masterton's central business district.

The trust purchased the property at 15 Queen Street which, together with two adjoining trust-owned properties, has potential to expand the civic cultural and recreational precinct. Te Patukituki o Wairarapa is now using the building for community carving.

The year saw the completion of 15 years of service by Trust Secretary-Manager Gary Percy who retired in April. "We thank Gary for his contribution to the growth of the property portfolio and returns to the community over the past 15 years," Miss Southey said.

Lands Trust Masterton is a public lands trust formed to own and manage surplus land not sold to Masterton's working class settlers. Income from the trust's property is distributed in the form of grants to assist educational, community and cultural activities within Masterton. This concept has played a key role in the evolution of the town since 1871 and continues to do so today.

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