

Annual Report 2022

stellar living





A PLACE

TO CALL

HOME



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Message from our Chairperson and CEO

Welcome to Stellar Living's Ltd's Annual Report. As your Board Chairperson and CEO, we are pleased to present the annual report to our Member (Centrecare Inc.), tenants, partners, stakeholders and employees.

Stellar Living was established in 2011 by Centrecare to set up an independent tenancy and property service for the management of properties that they were operating at the time, as well as to expand the provision of social and affordable housing. This year is our 10 year anniversary.

The 2021/22 financial year was one of considerable success for Stellar Living despite the continuing challenges presented with Covid 19 being in the community, the shortage of suppliers and materials and internal changes to staffing and resourcing. It is a credit to the team for their resilience and creativity in keeping everything running smoothly.

The challenges of the year also provided us with opportunities that helped us connect, take stock and reflect. Office-based staff had the opportunity to visit tenants in their homes to complete property inspections and tenants proudly showed them their properties and explain some of the challenges they faced. Much needed building condition assessments were completed by a surveyor and staff on some of our older properties, to help prepare grant submissions for potential refurbishments. Tenants welcomed us into their properties, and it is evident that many of our tenants treat the properties as if they were their own. A big thank you to all our tenants who remain the key to what we do, and it was a pleasure to meet so many of you this year.

We remain cognisant of the current housing crisis. Homelessness, housing instability and rising property prices that fuel higher rents and greater competition for dwindling affordable rental housing has posed significant challenges for the community, our tenants, and their families, especially those that are trying to exit transitional housing. Many tenants are being hit by the increasing cost of living and feeling the pinch even more than usual.

Our staff are fielding enquiries every day from desperate people looking for accommodation. When we have such low turnover ourselves in our mainstream accommodation and people are staying longer in our transitional housing it is difficult not being able to assist and having to refer them to support services. We, like other Community Housing Providers, can only chip away at providing more options. We are keen to work with governments at all levels and private sector partners to explore opportunities to leverage our collective assets to increase housing supply to those in need.

The change to the economic landscape and opportunities provided by state government meant that we adjusted strategic initiatives. We pursued the opportunities to get grant monies to improve the standard of our properties for new build developments. We were successful with getting a Social Housing Economic Recovery (SHERP) grant to completely refurbish two of our older properties that were built in 1973 and 1981. The properties are used for transitional housing for families who are provided support from Centrecare. The tired, older properties will receive a face-lift to include wet areas, flooring, and landscaping. We will also be mindful in making them more energy efficient to help reduce utility charges. When the properties are completed in late 2023, they will provide a modern, safe and secure environment for a family needing some stability. Success also came with a SHERP grant to assist in a development of 16 properties in Rockingham. These properties will be completed by the end of 2024 and will provide accommodation for seniors in the centre of Rockingham. In addition we are committed to acquire land in Byford with a view to building a further 12 properties, and continue to explore opportunities with partner organisations with innovative proposals.

We are proud that one of our Partners, Wungening Aboriginal Corporation, won an award for Excellence in Social Housing at the Australasian Housing Institute (AHI) Brighter Future Awards.

The award was specifically for the ReSet program offering reintegration support to those who have been in prisons throughout Perth. The program is a consortium of support services and Stellar Living manages the social housing element of the program.

As part of Homelessness week, we both attended the Shelter WA Charrette: Housing solutions to end homelessness. We formed a Design Team with architects Whispering Smith to design in 3 hours a sustainable housing first model on a site in East Perth. It was a good opportunity to bring awareness to the development opportunities that are possible if we partner and think about things differently.

All things considered, Stellar Living performed exceptionally well on all levels throughout the 2022 financial year. We successfully delivered on the majority of the Business Plan actions, particularly the improved capturing of asset data to aid with our budgeting and strategic planning. We achieved strong above budget financial results with net assets valued at \$40 million and total comprehensive income of over \$2.6 million, this places Stellar Living in a strong position to deliver on the planned growth and for when we review our Strategy and consider increasing our housing development pipeline still further.

2022 was our 10-year anniversary and a chance to reflect on the past and think to the future. Our two largest complexes also turned 10 and we are proud that many of the original tenants are still with us. We are planning some morning teas in 2023 as a way to celebrate and say thank you to tenants.

We remain proud of our achievements as Stellar Living started off with the management of just 33 properties. We now have 262 properties under management and an asset base of \$42m.

Stellar Living is invested in building on our strong legacy and ensuring we are a leading boutique Community Housing Provider looking to expand the number of people we can assist with housing and focussing on the service need of our current tenants.

Outlook for the year ahead

- ✓ Reinforcing our position as a Tier 2 Western Australia Community Housing Provider by consolidating our current footprint and increasing our portfolio of social and affordable housing.
- ✓ Investing in our homes to ensure they are fit for purpose and meeting the needs of tenants.
- ✓ Cementing relationships to promote and secure investment in expanding our portfolio and building on Stellar Livings reputation as a trusted expert.
- ✓ Improving the collection of feedback, data and insights to inform continuous enhancements to customer experience.
- ✓ Continuing to demonstrate value for money through a progressive and high achieving organisation.

Our continued success cannot be achieved without the vision and leadership of a cohesive Board and a passionate and committed team whose day-to-day hard work and dedication is much to be admired. We would like to close by thanking our staff and the Board, as well as the many individuals, organisations and suppliers that partner, collaborate and mentor with Stellar Living to help us deliver the important outcomes of increasing the number and quality of housing to assist people to live more fulfilling lives... your support is always invaluable.



Kathryn Moorey
CEO - Stellar Living



Anthony Bevan
Chair - Stellar Living

Here At Stellar Living

We are focused on building a better tomorrow through the provision of sustainable affordable housing.

With

\$40.7M

total property, plant & equipment assets

94,620

day rental for all properties

\$37.8M

in total equity

192

properties owned

89%

tenant satisfaction

70

leased properties

EBITDA ratio to Total Revenue of

27.5%

262

properties under management

Across

19

local government areas

We strive for a culture of excellence in all we do.

Our Housing Snapshot

262

homes managed across WA



626

People housed



320

Primary Tenants

stellar living 

Perth Metro

85 Managed Properties

Kalgoorlie

18 Managed Properties

Mandurah

159 Managed Properties



A Snapshot of Stellar Living



262
properties



626
people housed



320
primary tenants



216
single person
households



56%
female



43%
male



30%
children



194
primary tenants
aged over 55



128
primary tenants
aged over 70



Strategic Plan 2020 - 2022

Vision **A better housing option for all.**

Purpose **Improve lives through providing affordable homes and quality service.**

Our Goals

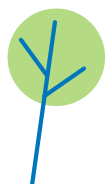
| | | |
|--|--|--|
| Maximise Opportunities for Growth | Value Our Residents and Our Homes | Be a Strong Innovative Organisation |
|--|--|--|

Our Objectives

| | | |
|--|---|---|
| <p>Cultivate effective development partnerships.</p> <p>Expand our portfolio to meet community needs.</p> <p>Be open to new delivery models and market innovations.</p> <p>Maintain the confidence of our regulators and investors.</p> <p>Maintain financially viable growth.</p> | <p>A strong commitment to customer satisfaction.</p> <p>Investing in and upgrading our homes.</p> <p>Ensure we offer the best service we can to remain an exemplary landlord.</p> <p>Be recognised as a sector leader with which other organisations want to do business.</p> | <p>Be a great place to work, retaining and attracting the right staff.</p> <p>Maintain a focus to remain agile and able to act when opportunities arise.</p> <p>Maintain strong influential relationships in the sector.</p> <p>Demonstrate good value for money in everything we do.</p> <p>Drive efficiencies and innovation in our business.</p> |
|--|---|---|

Our Success

| | | |
|---------------------------------|------------------------------|--|
| More affordable housing. | A provider of choice. | Financially and culturally responsive, efficient and trusted. |
|---------------------------------|------------------------------|--|



About Stellar Living Limited

We at Stellar Living Limited continue to pursue our Vision to construct and manage housing for communities of people who may be vulnerable, have complex needs, low income earners, or be in crisis. We work with many other organisations to help people find accommodation so they may concentrate on some of the other challenges they encounter.



Care and respect

We will treat people with respect, dignity and common courtesy with recognition of the intrinsic worth of all human beings and the importance of sustaining their dignity and valuing their views.



Collaboration

We are not afraid to work with others towards reaching a common goal. We share our knowledge and skills to help develop our internal capacity to ensure effective and efficient outcomes.



Innovation

Actively striving to develop new ways of 'thinking and doing' things in our business and in challenging others to do the same.



Acceptance

Welcoming people in all their diversity in a manner that diminishes anxieties, enhances self-worth, communicates goodwill and leads to reconciliation.



Integrity

Taking an honest, fair, ethical and transparent approach in everything we do.



Excellence

We strive for a culture of excellence in all we do.

Our Team

The Stellar Living team are what makes this organisation so successful and admired.

The team have passion, commitment, and positive work ethic which comes across in all we do. The values staff operate by is a core ingredient in the business and customer focus. The team have been resilient with dealing with both external and internal pressures. Working in a Covid environment, changes to key staff positions, and system changes. We continue to support each other and make our collective health and wellbeing a team responsibility.

Working within an environment where front line team members are dealing with tenants vulnerabilities and challenges we offered individual coaching sessions on top of the normal Employee Access Programs. The extra support helped provide focus to ensure we maintain aware of our own wellbeing and look at creating a positive work life balance.

Operations Team

Over the past year our team which look after the tenants and properties have been extremely busy focusing on letting properties, reducing cost, and arranging maintenance whilst still providing fantastic services for all our tenants.

With the high demand for private rental accommodation and increasing rents we have seen an increase in enquiries for housing from people who are struggling to find a place to call home. Our turnover has slowed down and tenants in our transitional housing are staying longer than normal, especially if they are requiring larger family accommodation, as the housing pipeline is restricted with the lack of vacancies.

During these challenging times, it comes as no surprise that our team have witnessed an increase in mental health struggles. We have continued to focus on maintaining property inspections even when being threatened with lock downs and the need to wear masks and protective equipment. We know that the face-to-face visits help some of our most isolated tenants as well making sure that properties remain well maintained.

Our 2022 tenant satisfaction survey results remain positive with an overall satisfaction rate of 89% even though our maintenance satisfaction dropped slightly to 80%. Contributing factors to this decrease include the shortage of labour and material to complete materials and the ageing nature of our properties.

Being able to report maintenance and receiving a good maintenance service is important to tenants. We have now improved how tenants can report maintenance to us by having a dedicated maintenance line that goes directly to our property assistant. We now also have better mechanisms for monitoring and following up on outstanding maintenance.



(L-R) Maria, Megan and Jo.

During 2021/22 Stellar Living spent a record \$2,216,494 million up from \$215,577 in 2020/21 on maintenance. This includes \$136,413 spent on planned maintenance where selected properties had kitchen and bathrooms refurbished that were at the end of their lifecycle. We also successfully bid and delivered on a WA Government grant of \$20,000 on our regional properties in Kalgoorlie.

We have reached our 10th Birthday and had wanted to celebrate this with our tenants but because of the ongoing restrictions and uncertainty to meet safely, we have put such celebrations on hold. Two of the larger complexes in Peel have also turned 10 years and we are proud that many of our tenants have remained with Stellar Living and in the properties they moved into 10 years ago. We look forward to celebrating with tenants in the coming spring and summer.

Business Services Team

Our back of house services continues to support the Operations team in meeting key targets and ensuring we remain compliant.

We continue to build on our IT and systems to enhance our governance culture and practise. This team also assists in driving efficiencies across the organisation. We successfully transitioned and centralised the administration and processing part of the annual rent reviews into our Business Support team. This freed the Operations Team up and increased efficiencies with ensuring we are charging correct and timely rents. Our client record database is continually enhanced to enable improved reporting for internal processes and compliance purposes, so our inspection and annual rent reviews are now tracked and recorded in the one database. We have now moved all our records to a cloud based environment with the last bit of the jigsaw being the migration of our document management to the cloud which is making us nimbler and more efficient driving toward a paperless environment.

We have successfully processed registration for our Tier 2 Community Housing provider status and continue to meet our compliance and governance requirements.



(L-R) Jane, Peiling and Ann.



(L-R) Claire White (Whispering Smith), Kate Fitzgerald (Director, Whispering Smith), Heidi Atkinson (Stellar Living), Kathryn Moorey (CEO, Stellar Living), Tony Bevan (Chairperson, Stellar Living).

Our Projects

Preparing and Planning

With the release of the Social Housing Recovery Package (SHERP) grants and renewed interest in WA State Housing supporting Community Housing growth and innovation, Stellar Living started preparing and planning for its future development pipeline. This includes the purchase of land in central Rockingham and commitment to purchase land in Byford. With the success of a SHERP grant application for the Rockingham site we will be delivering 16 units on the site by 2024. We continue to plan and explore opportunities with existing and new partners.

In addition, Stellar Living was successful in a SHERP refurbishment grant totalling \$311,000 for two transitional properties to be overhauled and renovated to meet future demands.



(L-R) Sabine Winton (Parliamentary Secretary), Daniel Morison (CEO Wungening), Mike Rowe (Director General DoC)

Operating Results

Stellar Living maintains a strong financial position and achieved operating EBITDA margin of 27.5% and Net Assets of \$37.8m in the 2022 financial year. This was driven by continued focus on responsible economic management, management of overheads and improved property turnaround times.

We always seek to allocate capital in a well-balanced manner to ensure financial sustainability whilst improving customer outcomes and experience. While we are pleased with the strong performance, we acknowledge the importance of ensuring that going forward we sustain this trend. We are conscious of our aging portfolio, increasing maintenance costs and need to optimise the business.

Our healthy capital position together with the increase of our balance sheet means Stellar Living's strong leadership is well placed to deliver for its stakeholders.

Stellar Living auditors, HLB Mann Judd, have submitted an unqualified audit report for Stellar Living's 2022 Financial Statements. Our team continues to strive towards financial and operational improvements, growth and opportunity to meet our financial obligations.



(L-R) Sabine Winton (Parliamentary Secretary), Paula O'Leary (Ahi WA Committee Chair), Mike Rowe (Director General DoC), Kathryn Mooney (CEO Stellar Living), Sean Kelly (Ahi WA State Director)



Partnership

ReNew Property Maintenance

This year Stellar Living is proud to have partnered with ReNew in completion of landscaping on one of our larger complexes and maintenance such as external painting and gutter cleaning. ReNew is a social enterprise on a mission to connect at-risk young people with hands – on, entry level employment opportunities.

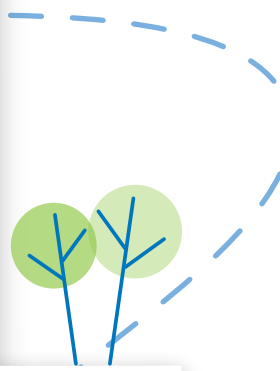
They provide a high quality, reliable property maintenance service, with a strong social outcome which has given Stellar Living deeper value with our purchasing power. Our tenants have reported that the crew provide a thorough job and have given them the thumbs up for being tidy and respectful.



ReNew has been providing a range of property maintenance, landscaping and minor construction services at Stellar Living since 2021. Works include improving residents' homes through painting and minor repairs. Other works have been focussed on beautifying the common areas such as installing new park benches and planting and mulching new garden beds.

The range of tasks have provided invaluable entry-level employment and broad learning opportunities for over 10 disadvantaged young people who accompany our supervisors as they complete the works. The outcomes for our young people as a result of this seemingly small opportunity ranges from, being able to remove themselves from homelessness to food security and general optimism for their future. It is hard to overstate how much impact something like a first job can have on a young person from a disadvantaged background. We'd like to say a big thanks to the team at Stellar Living for giving us the opportunity to deliver both services, and social impact for local communities.

Pat Ryan
CEO - ReNew Property Maintenance, Dismantle



Good News Stories

During the year we received a couple of lovely emails from people who had been longstanding tenants with Stellar Living and who have both vacated properties during the year. It is always a delight to see tenants find that crucial stability of housing with us, and then when their circumstances and needs change they move out, allowing other families in need to utilise the opportunity provided by having secure housing. We thank Lillian and Miria for sharing their stories and wish them all the best.

I just want to say a big Thank You for allowing my girls and me the opportunity to rent through Stellar Living. Jo (property officer) you're the best and have always been understanding and on the ball to get things done if ever was needed.

Not only have we had great neighbours but the team at Stellar Living, I'd say are the absolute best.

As a single mum raising kids, it's hard to think of affordable renting cost let alone everything else, but I was given the opportunity to rent through Stellar Living and what a blessing it has been and also stress free.

I will always appreciate being given a house to turn into a home that was always affordable for me.

Thank you Thank you forever grateful 😊

Lillian
Ex-Stellar Living Tenant





Well this is a bitter sweet email, I've been approved for a home in Perth, (Waikiki) to be exact. I'm in shock how fast I was able to get housing, with the rental crisis and many families, struggling to find housing in Perth, at the same time very excited. I applied last week... I honestly thought I'd be waiting a while, but jumped at it knowing the shortage of homes.

I'm also sad as this home in Dugan street was the place I began a new life with my children they were so young, aged 4 & 6 when we moved in, I knew straight away that it was the best decision I made for us.

I was 27, a single mum, on Centrelink trying to figure out my next move for our future. I'll forever be grateful that I was allocated a beautiful brand new home and able to start our journey, and also my journey to independence.

I'm now 38, work full time, I've created a beautiful safe home environment, my children are now 15 & 17 both are loving, respectable teenagers I'll cherish all the milestones of their life and all the memories that we created whilst living here.

I don't think I'll ever be able to replicate the awesome neighbours that surround us, we all look out for one another and each other's kids. I will miss them so much!

Thank you Jo & Stellar Living , I appreciate and we are forever thankful for the fresh start you gave us! ♡ ✨ Thank you.

Miria
Ex-Stellar Living Tenant



Testimonials

Customer Service has greatly improved, much easier to contact now.

Stellar Living are one of the best. I feel like I am living in my own home.

This is the best place I have ever lived.

I have been a tenant of yours for a long time and always have been very happy living here. All I can say is a very big thank you.

I am completely happy with the service. We are very happy living in such a lovely home. Customer service has been excellent. Prompt call backs and prompt maintenance. Everytime I have a problem, it has been quickly fixed.

Everyone has always been helpful and prompt in dealing with my enquires and problems. Staff are always friendly and responsive.

The last tradesman have been terrific. Get through every time I ring and everyone is so helpful and nice.

Best landlords I have ever had.

Statement of Comprehensive Income

For the year ended 30 June 2022

| | 2022 \$ | 2021 \$ |
|--|--------------------|--------------------|
| <u>Revenue:</u> | | |
| Revenue from ordinary activities | 2,810,765 | 2,787,518 |
| Grant funding | 244,893 | 337,334 |
| | 3,055,658 | 3,124,852 |
| <u>Expenses:</u> | | |
| Property Management expenses | (1,016,722) | (910,776) |
| Administration expenses | (417,101) | (311,931) |
| Employee Benefits | (782,671) | (778,210) |
| | (2,216,494) | (2,000,917) |
| <i>Profit for the year before interest, tax, depreciation, amortisation and impairment</i> | 839,164 | 1,123,935 |
| <u>Less:</u> | | |
| Depreciation & amortisation | (987,596) | (1,012,221) |
| Interest expense | (107,170) | (118,405) |
| Impairment (expense) / reversed | 77,980 | 1,411,101 |
| | (1,016,786) | 280,475 |
| Profit / (Loss) for the year | (177,622) | 1,404,410 |
| <u>Other comprehensive income:</u> | | |
| | - | - |
| Total comprehensive Profit/(Loss) for the year | (177,622) | 1,404,410 |

*For full details and accompanying notes, refer to Stellar Living's special purpose financial report for 30 June 2022

Statement of Financial Position

As at 30 June 2022

| | 2022 \$ | 2021 \$ |
|--------------------------------------|-------------------|-------------------|
| Current assets: | | |
| Cash assets | 1,225,794 | 847,543 |
| Trade & other receivables | 312,824 | 355,975 |
| Total current assets | 1,538,618 | 1,203,518 |
| Non-current assets | | |
| Property, plant & equipment | 40,723,823 | 40,828,445 |
| Total non-current assets | 40,723,823 | 40,828,445 |
| Total assets | 42,262,441 | 42,031,963 |
| Current liabilities: | | |
| Trades & other payables | 397,019 | 374,720 |
| Provisions | 71,153 | 102,402 |
| Borrowings | - | 3,571,638 |
| Unexpended Grants | 205,565 | - |
| Total current liabilities | 673,737 | 4,048,760 |
| Non-current liabilities: | | |
| Provisions | 1,338 | 887 |
| Borrowings | 3,782,672 | - |
| Total non-current liabilities | 3,784,010 | 887 |
| Total liabilities | 4,457,747 | 4,049,647 |
| Net assets | 37,804,694 | 37,982,316 |
| Equity: | | |
| Retained profits | 37,804,694 | 37,982,316 |
| Total equity | 37,804,694 | 37,982,316 |

*For full details and accompanying notes, refer to Stellar Living's special purpose financial report for 30 June 2022

Statement of Cash Flows

For the year ended 30 June 2022

| | 2022 \$ | 2021 \$ |
|--|------------------|------------------|
| Cash flows from Operating Activities: | | |
| Receipts from customers | 3,064,062 | 2,700,497 |
| Payments to suppliers and employees | (2,238,257) | (1,946,496) |
| Grant funding received | 253,465 | 329,510 |
| Interest received | 110 | 118 |
| Interest paid | (107,170) | (118,405) |
| Net cash provided by operating activities | 972,210 | 965,224 |
| Cash flows from Investing Activities: | | |
| Purchase of property, plant & equipment | (804,993) | (20,495) |
| Net cash (used in) investing activities | (804,993) | (20,495) |
| Cash flows from Financing Activities: | | |
| Repayments on bank loan | (600,000) | (900,000) |
| Drawdown on bank loan for Rockingham land purchase | 811,034 | - |
| Net cash provided by (used in) financing activities | 211,034 | (900,000) |
| Net increase in cash held | 378,251 | 44,729 |
| Cash at the beginning of the year | 847,543 | 802,814 |
| Cash at the end of the year | 1,225,794 | 847,543 |

*For full details and accompanying notes, refer to Stellar Living's special purpose financial report for 30 June 2022

Our Directors

Stellar Living has a contemporary and appropriate structure, suitable for the size and complexity of our business and the requirements of our stakeholders.

Our directors and team work together with passion and purpose to deliver great outcomes for the people we serve. We invest in our people, attracting a values-aligned team who deliver great outcomes for our customers.

Thank you to all Directors for their ongoing stewardship of Stellar Living on behalf of those we serve.

Mr Tony Bevan

Chairperson of the Board of Directors

Adj. Prof. Anthony Pietropiccolo AM

Board of Directors

Mr Luigi D'Alessandro

Board of Directors
and Company Secretary

Mr Daniel Miskiewicz

Board of Directors

Ms Anne Burns

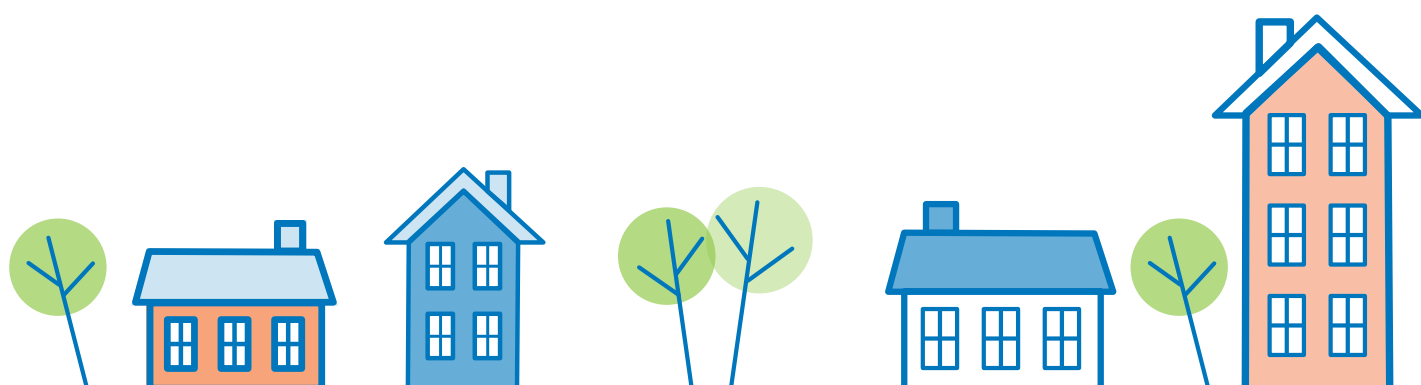
Board of Directors

Ms Megan Adair

Board of Directors

Mr Stephen Walker

Board of Directors







stellar living



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