



# House Keys: Operations

Aggregate Report House Keys year 1

January 2016



**nsw Federation of  
Housing Associations inc**

In partnership with



**SHELTER**  
because housing matters

# Introduction

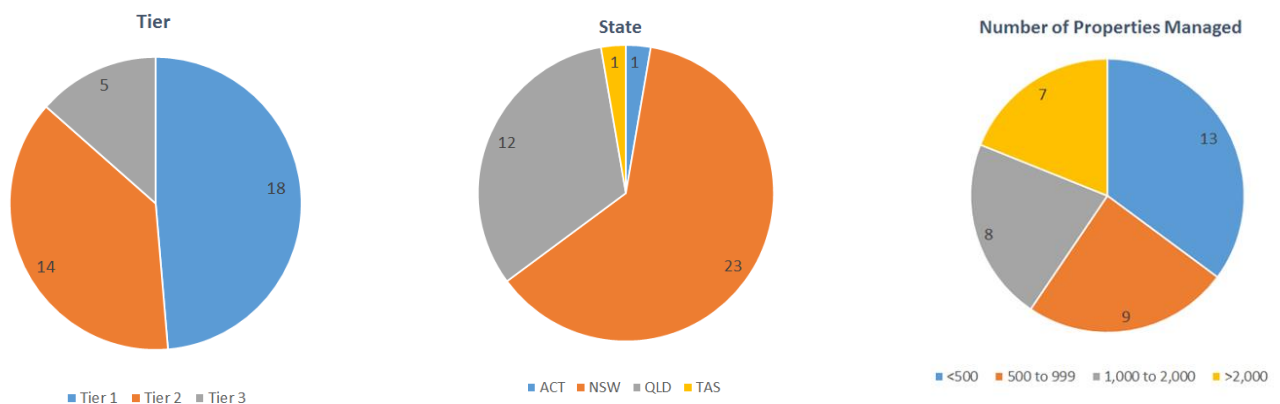
House Keys is the new national benchmarking system developed by the NSW Federation of Housing Associations (the Federation) for community housing providers (CHPs) that will set industry standards and allow providers to see how they compare with peers around Australia.

House Keys will:

- help CHPs make continual improvements in service delivery to tenants
- drive efficiency and value for money
- give governments and developers confidence to invest in community housing
- help community housing grow

The data in House Keys: Operations is based predominantly on data provided by CHPs through the National Regulatory System for Community Housing (NRSCH) and using data definitions developed by NRSCH. It uses the latest available data set as collected through the NRSCH and, in NSW, the latest data collected by Department of Family and Community Services (FACS). The data provided to NRSCH is self-reported for regulatory purposes in order to determine compliance with the national law. Please note that the data presented through House Keys and in this aggregate report applies to House Keys members only and not all registered providers.

The 2015 House Keys: Operations benchmarking club includes data from 37 Community Housing Providers from four jurisdictions - NSW, Queensland, the ACT and Tasmania.



In NSW, the breakdown of House Keys: Operations participants by registration tier is as follows:

- 16 Tier 1
- 7 Tier 2

In Queensland the breakdown of House Keys: Operations participants by registration tier is as follows:

- 1 Tier 1
- 6 Tier 2,
- 5 Tier 3

Specific factors and variables will influence each CHP's results. The aggregate results may therefore be driven by the CHP's operating context. These variables may include the following:

- Proportion of tenancies in different programs (affordable housing, social housing, homelessness services etc.)
- Regional vs. urban
- Geographical spread
- Proportion of permanent housing vs. transitional and crisis
- Services and support offered
- Scope of business
- Organisational scale

As the industry grows we anticipate that CHPs will want to refine and adjust the data collected. The Federation is committed to a continuous improvement process and will consider changes and enhancements for future House Keys data collections via the industry reference group.

## Aggregate Performance Data

Here we provide an insight into the overall performance of House Key: Operations benchmarking club members in a number of key areas. For the majority of CHPs the data relates to the financial year 2013-14.

The data being provided for each performance metric includes:

- The mean performance of all 37 House Key: Operations benchmarking club members
- The mean performance for NSW only members
- The mean performance for Queensland members

Where applicable, the tables use a traffic light system indicating whether the mean for House Keys: Operations members meets the relevant NRSCH threshold.

## Main Findings

The headline for the launch release of House Keys: Operations is that the benchmarking club members have shown high levels of performance throughout a range of key areas. For example, tenants agree that CHPs have been delivering well maintained homes with 89% of tenants expressing satisfaction with the condition of their property and 82% of properties meeting state standards. Satisfaction levels with the overall standard of housing services are also extremely high, with 89% of tenants satisfied with their housing service.

The average performance of House Keys: Operations members proves their capability in managing tenancies and properties with high rent collection levels (1.75% rent outstanding), and excellent repairs records with average performance for both urgent and non-urgent repairs completed within jurisdictional limits at 98% and 93% respectively.

House Keys: Operations members are financially sound organisations with good financial returns. Overall, benchmarking club members have an operating EBITDA margin of 14.3%, with an operating EBITDA margin of 10.9% in Queensland, rising to 17.2% in NSW.

Corporate overheads per property for all House Key Members are \$1,535, with Queensland based benchmarking club members having corporate overheads per property of \$1,487, rising to \$1,499 amongst NSW participants.

# Organisational Profile Information

The average total number of properties for House Keys: Operations members is 1,012. In NSW the number is 1,316, where as in Queensland this reduces to 452 reflecting the greater number of Tier 3 providers.

NSW only data includes information on the proportion of indigenous households, residents with a disability, and residents from non-English speaking backgrounds.

	<b>All 37 House Keys Members</b>	<b>23 NSW Providers Only</b>	<b>12 QLD Providers Only</b>
Average total number of properties	1,012	1,316	452
Average number of FTE staff	35	38	29
Proportion of supported tenancies	19.32%	12.92%	30.31%
Proportion of indigenous households	10.21%	10.21%	n/a
Proportion of residents with a disability	37.50%	37.50%	n/a
Proportion of residents from non-English speaking backgrounds	24.34%	24.34%	n/a



# Housing Management

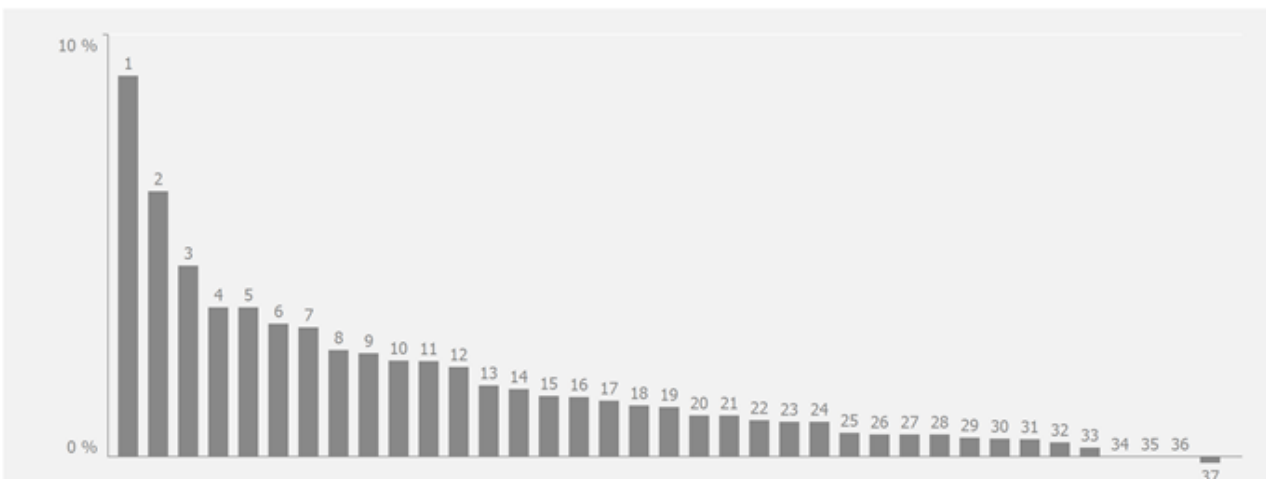
House Keys: Operations members have excellent tenant satisfaction levels with the overall quality of housing services (89% satisfied) with a 34% tenant response rate. Both survey response rates and satisfaction levels are slightly higher in Queensland compared to NSW, with 93% of tenants satisfied with their overall housing service in Queensland.

The performance of House Keys: Operations members on rent forgone (vacant tenable) is below the NRSCH threshold of 5%. Typically void rent losses map closely to void times. For untenable properties, tenancy turnaround averaged 19.94 days across the House Keys: Operations members, well under the 28 day threshold set by the NRSCH.

	All 37 House Keys Members	23 NSW Providers Only	12 QLD Providers Only
Tenants satisfied with overall quality of housing services	89.11%	87.09%	92.75
Survey return rate from number of surveys distributed	34.47%	31.50%	42.00%
Tenancy turnover	23.86%	19.59%	31.50%
Metric Rent outstanding	1.75%	2.03%	1.23%
% Underutilised	5.53%	5.53%	n/a <sup>1</sup>
% of new tenants in greatest need at allocation	63.31%	63.31%	n/a <sup>2</sup>

The average performance of House Key: Operations members on rent outstanding was 1.75%, below the NRSCH threshold of 2.5%.

## Metric Rent Outstanding Histogram



<sup>1</sup> Data only collected for NSW House Keys members

<sup>2</sup> Data only collected for NSW House Keys members

Other key metrics include (House Key Members):



---

<sup>3</sup> Data only collected for NSW House Keys members

<sup>4</sup> Data only collected for NSW House Keys members

# Asset Management

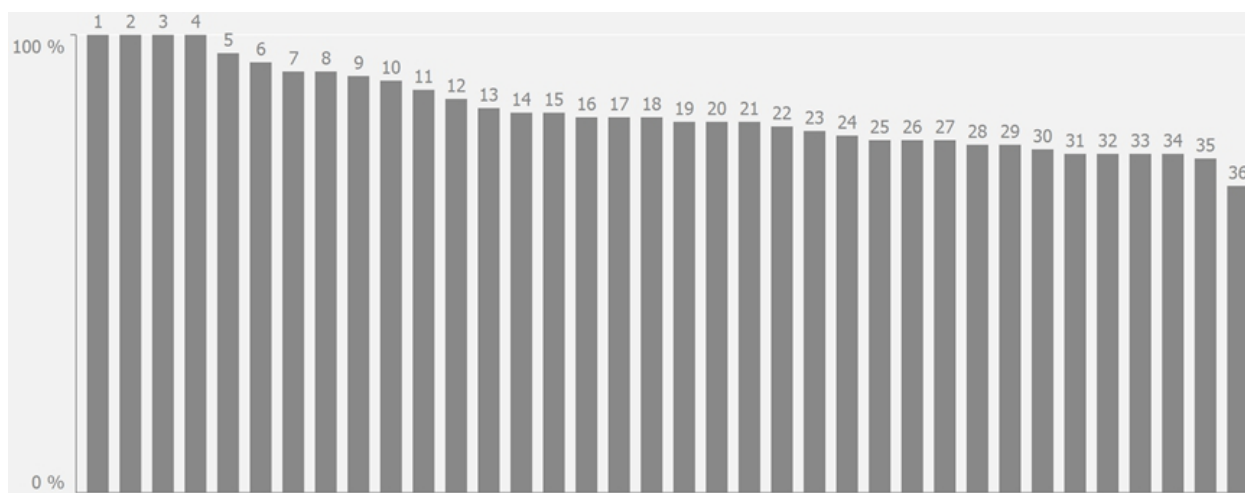
A high percentage of properties (82%) meet state property condition standards across the benchmarking club members, well above the 70% NRSCH threshold. This figure is slightly higher in NSW than Queensland.

House Keys: Operations members' average performance for both urgent and non-urgent repairs completed within jurisdictional limits were better than the NRSCH threshold, at 98% and 93% respectively.

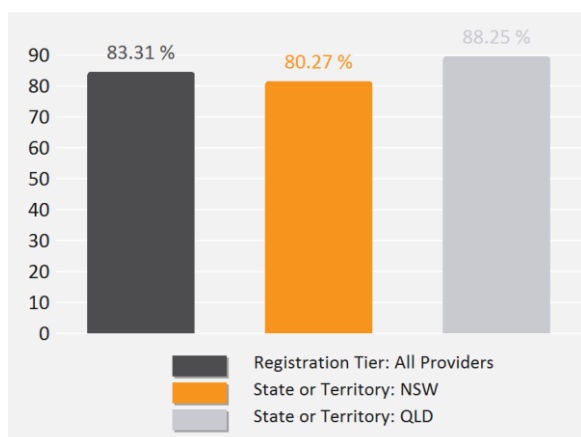
	All 37 House Keys Members	23 NSW Providers Only	12 QLD Providers Only	
Percentage of properties meeting state standard	82.02%	85.80%	80.42%	●
Percentage of urgent repairs completed within jurisdictional limits	97.75%	97.41%	98.58%	●
Percentage non-urgent repairs completed within jurisdictional limits	92.86%	90.59%	97.73%	●
Percentage of tenants satisfied with maintenance services	83.31%	80.27%	88.25%	●
Percentage of tenants expressing satisfaction with the condition of the property	89.36%	86.45%	94.00%	●

House Keys: Operations members reported high levels of satisfaction, with an average of 83% tenant satisfaction with overall maintenance services and a very high level of satisfaction with the quality of the home (89%). Satisfaction levels were slightly higher in Queensland compared to NSW.

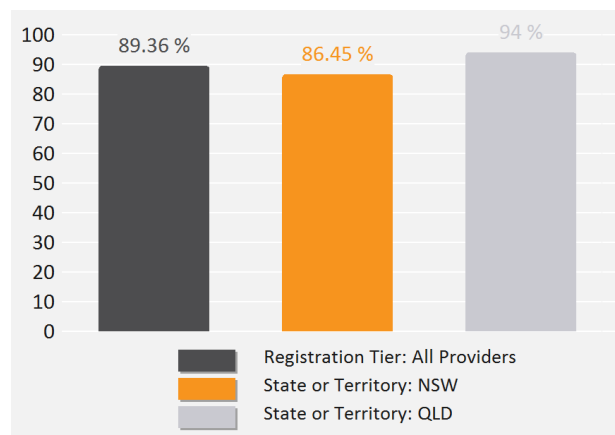
## Percentage of tenants satisfied with maintenance services



### % Satisfaction with maintenance services



### % Satisfaction with property condition



## Finance and Efficiency

The average total operating expenses per property for House Keys: Operations members is \$10,660. Corporate overheads per property for all House Key Members are \$1,535, with Queensland based benchmarking club members having corporate overheads per property of \$1,487, rising to \$1,499 amongst NSW participants.

The mean return on assets for House Keys: Operations members is 6.7%, rising to 7.3% in NSW and 7.8% in Queensland. The mean Operating EBITDA (Operating Earnings before interest, tax, depreciation and amortisation) margin for all House Keys Operations members is 14.3%, rising to 17.2% in NSW and 10.9% among Queensland participants.

	All 37 House Keys Members	23 NSW Providers Only	12 QLD Providers Only
Total operating expenses per property	\$10,660	\$10,084	\$12,896
Corporate overheads per property	\$1,535	\$1,499	\$1,487
Total corporate overhead/ Total operating expenditure (%)	20.11%	20.96%	15.74%
Operating EBITDA margin	14.26%	17.17%	10.91%
Return on assets	6.70%	7.28%	7.76%



# Governance

House Keys: Operations members mean data on governance shows that all regulatory requirements are being met. Overall, benchmarking club members hold an average of 11 governance meetings per year, surpassing the NRSCH threshold of 6 meetings.

	All 37 House Keys Members	23 NSW Providers Only	12 QLD Providers Only	
Number of meetings held	11	11	11	
Percentage of meetings held that were quorate	99.11%	99.59%	98.08%	
Governing body evaluation currency (number of days elapsed since last governing body evaluation)	250	186	331	

## House keys: Operations participants 2015

