

3. CHRISTCHURCH COMMUNITY HOUSE

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The purpose of this report is to provide information to help determine whether or not the Council should renew the lease for 187 Cashel Street, which currently houses Christchurch Community House. A related report in the Public Excluded part of the agenda details the commercial aspects of this issue and recommends accordingly.

BACKGROUND

Christchurch Community House/Te Whakaruruhau ki Otautahi was opened in March 1991 to provide accommodation for a number of community groups which offer community development and social services to the public. The project was, and continues to be, jointly funded by the Council and the Community Trust.

Prior to this the Council had supported a small number of community groups by housing them in a Council-owned building at 203 Gloucester Street. When this building was earmarked for demolition in 1990, Council agreed to re-house these groups and to include other groups by expanding the concept to a larger community house. It recognised that “the advantages of bringing together agencies offering complementary services are greater co-ordination, efficient use of resources and the opportunity for effective long-term planning”.

Christchurch Community House is located at 187 Cashel Street. The building is leased by the Council from Vallis Holdings Limited for an annual rental of \$73,647. The Community Trust contributes \$35,000 per annum towards the rent. The terms of the current lease require the Council to give twelve months’ notice by 1 September 2000 on whether it wants to exercise the final right of renewal for a further period of four years from 1 September 2001, ending in September 2005.

CURRENT OPERATION

Community House is managed by a Tenants’ Trust which includes a non-voting Council officer representative (Sally Latham). The Trust employs a House Manager whose role is to ensure the House’s effective day-to-day operation. This includes reception, maintenance of services to tenants, building matters, financial administration, and room and facilities bookings.

Although Council provides the building rent free, the Tenants’ Trust charges tenants a small rental in order to help fund their activities and services. The cost of rents and other services at Community House is kept at a very affordable level by the Trust.

Twenty-six groups have offices at Community House ([list attached](#)). There is some turnover of tenant groups as their needs and circumstances change, but there is a core group of agencies which has remained constant. As well as these 26 tenants a further 100 groups (estimated) use the House facilities on a regular basis. Most of these groups hire the meeting rooms regularly, and many also make use of other services such as photocopying. The Council retains the right, through the Community Relations Manager, to veto new applications for tenancy.

Services and facilities available at Community House include a small meeting room, a large upstairs conference room with a kitchen, interview rooms, display/information area, computer resource room, photocopying, typing and faxing, as well as individual offices for 26 groups. The building is two-storied and includes an internal garage.

There are a number of benefits from co-locating community groups, as evidenced at Community House. These include:

- Cost savings from shared resources such as a photocopier, fax, computers, group insurance
- Improved services for clients through referrals between groups
- Easier access to a range of services and information, for both groups and their clients
- Increased awareness and co-operation between groups
- Supportive environment for groups

REVIEW OF COMMUNITY HOUSE

In 1994 an independent review of Community House was conducted on behalf of the Council. The review concluded that Community House was “a nationally and internationally innovative concept in the provision of community services. The basic concept of a subsidised facility, accommodating multiple non-profit community service organisations in a central location proved to be sound. It is a highly effective strategy for achieving cost effective, quality service provision to the community.” (Report to Cultural and Social Services Committee, October 1994.)

One of the report’s key recommendations was “that the option of a more suitable building be explored”. It is appropriate to consider this recommendation now, given the timing of the lease renewal notice.

ISSUES WITH CURRENT BUILDING

There are a number of issues with the current building which impact on existing and potential users of Community House. These are:

- **Disabled Access**

The building has no disabled access to the first floor where the large conference room and a number of offices are located. This means that many groups and individuals are unable to access these facilities, and the House Trust misses out on potential income from the hire of the conference room. It is sadly ironic that the Disabled Persons' Assembly (DPA), which is a tenant at Community House, must hire other premises each year for their Annual General Meeting in order to accommodate their members. The main entrance has heavy swing doors and a sloped ramp which make it difficult for people in wheelchairs to enter the building unassisted.

The building owner has offered recently to consider the feasibility of installing a wheelchair lift up the side of the staircase. However, the Property Unit has not pursued negotiations with the landlord on this issue independent of the overall consideration of future tenancy of this building by the Council.

- **Dampness and Roof Leaks**

The building has on-going problems with dampness which the building owner has been unable to remedy. This affects a number of rooms in the building and causes damage to interior walls and paint work, as well as an unpleasant musty smell. A large downstairs storeroom is completely unusable due to severe dampness and mildew. The building owner advises that professionals have been unable to locate the cause of this problem.

There are also on-going problems with the roof leaking during heavy rain. This has caused damage to tenants' office equipment at times. Although the building owner has repaired individual problems when reported, the general condition of the roof means that this is an on-going problem. The most recent roof leaks were reported in May this year.

- **Building Compliance**

The Property Projects Manager advises: *"We have a number of concerns related to compliance and health and safety which have been exacerbated by the on-going issues in relation to the condition of the property. These issues potentially involve costly solutions, however, persisting with the current situation is equally unsatisfactory."*

- **Heating**

Due to the age of the building, its poor insulation and dampness problems, the cost of heating the building is relatively expensive. This cost is met by the tenants. One of the prerequisites for groups to be accepted as tenants of Community House is that they are not able to afford market rentals, so the affordability of items such as heating is an issue.

BUILDING REPORT

In September 1999 the Property Unit commissioned Powell Fenwick Consultants Ltd to report on the condition of the property. The Property Projects Manager reports: *“This report identified upgrade requirements with estimated rectification costs ranging up to \$455,400. We, however, caution that this information is relatively general and not option specific. It has been provided at this stage solely to give an appreciation that the problems with the property are significant.”*

CURRENT BUDGET

The Community Relations Unit budget provides for costs associated with Community House. Annual costs include rent and costs such as insurance, rates, repairs and maintenance. The usual budget provision is \$120,000. Rent accounts for \$73,647 of this, leaving a balance of approximately \$46,000 to meet other outgoings.

VIEWS OF TENANTS

A series of three focus groups was held in March 1999 for all tenant groups to ascertain:

- their level of satisfaction with the current building, and
- their preference for continued tenancy at 187 Cashel Street or for relocation.

The following is a summary of feedback from these focus groups:

1. Level of Satisfaction

Likes:

- Cost – cheap rent (NB The Tenants’ Trust, not the Council, charges tenant groups a small rent to help fund the House services and facilities).
- Central city location with bus and foot traffic access.
- Many benefits of co-locating tenants.
- Strong commitment to Community House concept.
- Facilities – provision of meeting and conference rooms, reception, and range of office sizes.

Dislikes:

- Location – lack of sufficient parking, and bus stop outside building
- Poor disabled access to building and no access to first floor
- Building issues – general state of poor repair; inadequate lighting; poor layout; private landlord means that minimum of maintenance work done; temperature control inadequate; dull, dingy exterior giving message that groups in the building are “second-rate”.
- Facilities – shortage of adequate space; lack of privacy, which means that the building is unsuitable for groups providing confidential individual counselling.
- Problems with building security

2. **Stay vs re-locate**

- Most would prefer to move to newer, more attractive, accessible and spacious inner-city premises.
- Some of the tenants were prepared to stay in the current premises, but said a building upgrade was needed as per the issues identified above.
- There was some concern that if Community House moved to newer, more suitable premises, the Council might pass on increased rental costs to tenants. While the Council does not charge Community House tenants any rent at present, tenants pay a small rental (\$1 per square metre per week) to the Tenants' Trust to help fund the House's services and facilities. A minority of groups would be prepared to pay up to 50% more rent for better premises.

SUMMARY

Christchurch Community House provides affordable office accommodation for 26 community groups which offer community and social services to the general public. The House's services and facilities are also used regularly by a large number of external community groups. The co-location of community groups is cost-effective and provides many benefits for these groups and for their clients.

The Council leases the current Community House building at 187 Cashel Street. The Council is required to give notice of its intention to renew the lease by September 2000. There are a number of issues with the current building, including lack of disabled access and on-going maintenance and compliance issues. The accompanying report in the Public Excluded section provides additional information on lease issues and options, and makes recommendations on the lease renewal.

Recommendation: That Council continue to support Christchurch Community House through the provision of appropriate accommodation.