

**The United Reformed Church Northern Synod**  
**Factsheet 2: Property Purchases**

The purchase of a manse or other property on behalf of the church is a long process, and this sheet will help to guide you through the process.

## DECISION TO PURCHASE

First of all, you have to decide to buy.

### 1. *Church Meeting*

The process usually starts with a discussion at Church Meeting, although it may be a good idea to consult with the Synod too, although this is not a requirement.

Care should be taken in choosing a new manse to aim to follow the national manse guidelines issued by General Assembly in 2003 (contained in section 912 of the Property Handbook). The authority of the guidelines is advisory rather than compulsory, but of course it may prove more difficult to attract ministers to unreasonably substandard accommodation.

### 2. *Trustees*

All properties held for the church are legally owned by trustees. In many cases, the United Reformed Church (Northern Province) Trust Limited acts as trustee, although sometimes there will be another body, or a group of individuals. Usually the trustees will act on the instructions of Church Meeting unless a legal question is raised. If in doubt, you should consult with your trustees to ensure that they will be willing to go ahead with a sale.

(Properties such as manses, churches and halls are held subject to the terms of the United Reformed Church Acts 1972-2000. There is further information in the United Reformed Church Manual and the Property Handbook. The Acts set out the uses to which property may be put.)

### 3. *Funding*

In the case of a manse, usually a new property is bought as a replacement for a previous one, and the money from the sale will be held in a manse fund until needed. Manse funds are usually the subject of Synod resolutions, so you should check with the Synod Office that there are no unusual terms.

If there is no manse fund, or it is inadequate, the church will have to raise the required money before it can start to look for a property. Although it is possible for a church to take out a mortgage, this is not ideal. Any mortgagee would probably want to see the last three years

accounts, plus a budget, a repayment plan, a resolution of Church Meeting to support the repayment, and any evidence of guaranteed income for future years. Occasionally the Synod may be able to make a loan.

Once funds are secured and a price bracket is agreed, the church can begin to look for a property. It is a good idea to appoint a specific individual or group of individuals to deal with issues regarding the purchase, and report back regularly. If you are buying a manse and the prospective minister is already known, then obviously it would be courteous to give them some involvement in discussions.

The church should bear in mind that there will be other costs besides the purchase price. Lawyers and surveyors will have to be paid, and sums should be set aside to bring the property up to scratch and decorate it.

#### 4. *Selecting a Property*

You can register with a number of local reputable estate agents. This makes the search easier, as the agents will then contact you when properties fitting your requirements become available. Of course, you can also look at advertisements in estate agencies, local press, the Internet, and in the local area.

Often the perfect property will not exist, so you will need to weigh up the pros and cons of various options. For example, if the asking price is unusually low, you should look for features that detract from the property, such as its location or state of repair.

It is a good idea to view the property more than once, and to visit the area at different times of day and in different weather.

#### 5. *Making an Offer*

Once you have found an agreeable property, the church makes an offer. You should explain that the purchaser will be the trustees. Before visiting the estate agent, it is worth having to hand the full name and address of the trustees, their solicitors, and the local church contact.

In the case of the United Reformed Church (Northern Province) Trust Limited, which acts as trustee for most properties in the Synod, our address is 4 College Lane, Newcastle upon Tyne NE1 8JJ (telephone 0191-232 1168), and our solicitors are Dickinson Dees, One Trinity, Broad Chare, Newcastle upon Tyne NE1 2HF (telephone Mr Ian Ward 0191-279 9244).

## 6. *Chains*

Buying a property can be a lengthy process, depending partly on the issues arising, the property itself, and the other people involved. The choosing stage can take a couple of months, and then the legal work can take another three months or more.

Usually when the church is buying property it will not be engaged in a linked sale (although this is occasionally the case with manses). This means that the church will be at the bottom of the chain. However, usually with residential properties, the sale will not be able to proceed until everyone else in the chain has a buyer for their own property. Nonetheless, in even the simplest transaction there will be five parties involved: the church, the trustees, their solicitors, the sellers, and their solicitors. In many cases, the estate agents may still have input.

From this it can be seen, that quite a large number of people can be involved in the transaction, which means that it is more or less inevitable that delays will arise at various points.

## LEGAL WORK

### 7. *Introductions*

Once the offer has been made, there will be a shift in responsibility. In the next stage, the solicitors will take the leading role, although the agents will still have some involvement. For the church's part, the trustees will begin to have input from this point.

Although the estate agents will usually contact the trustees and their solicitors with particulars of the sale, it is helpful if you also inform the trustees once an offer has been made subject to contract.

### 8. *Precontract Enquiries and Searches*

What follows is a process in which the solicitors will be quite active, as they try to find out more about the property, on their client's behalf.

They do this in a number of ways:

- By making standard enquiries of the buyer
- Through smaller standard forms in which the buyer answers questions about what fixtures and fittings will be included in the sale and asking about any restrictions or rights affecting the property.
- By making searches at HM Land Registry, the local authority, the coal board and others to find out more about the property

The enquiries will reveal what services (such as water, gas, electricity, telephone, television) are provided at the property. You will need to contact these service providers after contracts have been exchanged.

At the same time, the church should have a professional survey carried out at the property, to verify its state of repair and structural soundness, and confirm that the price is a fair one. A housebuyer's survey and valuation will probably be sufficient, without the need for a full structural survey, unless there is reason to have the more detailed survey done.

9. *Agreeing Contracts*

Once the church is happy with the information and advice it has received, the seller's solicitor will prepare a contract. Sometimes particular terms may be the subject of negotiation, with letters passing to and fro until both parties are happy to proceed.

10. *Signing*

The contract will be produced in duplicate and signed by the trustees and the seller.

11. *Exchange of Contracts*

Once contracts are signed, and everyone is happy to go ahead, the solicitors will exchange them, so that each party holds the contract signed by the other party. From this point, both parties are legally obliged to go ahead with the transaction. At this stage, the church will have to provide the trustees with a 10% deposit, which will be paid to the seller's solicitors, who will hold it for them. A date will be fixed to complete the sale.

12. *Meter Readings*

Between exchange and completion, you should contact the service providers identified above in item 8 to arrange for meters to be read and service contracts transferred on a date after completion.

13. *Insurance*

You should insure the property for loss or damage and public liability as soon as contracts are exchanged.

14. *Completion*

On the day of completion, the trustees will pay the balance of the purchase price to the trustees' solicitor. You must make sure they are in possession of cleared funds in good time before the completion date. The estate agents will release the keys to the church. The formal deed of transfer will have been produced by the trustee's solicitors, signed by both parties, and returned to the trustees' solicitors.

## FINAL MATTERS

### 15. *Preparing for Occupation*

Once the purchase is completed, and keys have been handed over, the church can begin to prepare it for occupation. It is strongly advisable to have the electrical wiring and any gas installation inspected by an appropriate professional, if this was not done at the survey stage. (Section 241 of the Property Handbook gives further information. Certificates that the systems are satisfactory should be sent to the Synod Office.) Now you can make a start on any changes, redecoration, etc, and prepare the building for occupation.

### 16. *Registration*

It is now a case of tying up loose ends. The trustees' solicitors will register the transfer with HM Land Registry, file the title deeds and papers safely away, and send a completion statement to the trustees confirming the money spent and any invoices and expenses paid. They will also send a bill to cover any outstanding sums to the trustees, who will look to the church to provide them with the money.