

**The United Reformed Church Northern Synod**  
Factsheet 3: Property Lettings

This sheet will help to guide you through the process of letting a church, hall or manse.

## DECISION TO LET

First of all, you have to decide to let. (Often this will be during a ministerial vacancy). Properties such as churches, halls and manses 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 procedure to be followed when deciding to let one of those properties.

### 1. *Church Meeting*

The process usually starts with a discussion at Church Meeting, although it is a good idea to consult with the Synod at an early stage if you are considering a letting.

Once Church Meeting has made a decision, the Church Secretary or other officer should write to the Trust Officer with a copy of the resolution from the minutes of that meeting, requesting the Synod's approval of the proposed course of action.

### 2. *Synod*

The Trust Officer will prepare papers for the Trust Board and the Synod's Mission Executive Committee to help them make a decision. Sometimes the committees may ask for further information before coming to a conclusion. The Trust Board meets five times a year, with agenda papers being finalised and sent out 2-3 weeks in advance. However, in the case of a straightforward manse letting, it may be possible for the committee to make a decision between meetings.

### 3. *Trustees*

All properties held for the church are legally owned by trustees. In most 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 Synod, 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 the letting.

#### 4. *Caretaking and Management*

Whilst a property is in the process of being let, the local church will still have to look after it; and during the letting, someone will have to have a management responsibility for it. It may well be worthwhile appointing a specific individual or group of individuals to deal with issues regarding the letting. The property (and any church-owned contents) will have to continue to be insured. It is worth deciding at an early stage whether the property is to be furnished or unfurnished. Usually it will be largely unfurnished, although it may be that carpets and blinds or curtains would be provided.

### MARKETING

#### 5. *Choosing an Estate Agent*

It is for the church to choose an estate agent/surveyor. It is a good idea to visit their offices and talk over the letting.

You should use a reputable firm of estate agents or surveyors with local knowledge. You can just instruct them to find a tenant for you or they may also manage the letting on the church's behalf, collecting in rent, paying it to the church, and dealing with any problems or maintenance issues. The finding fee will often be equivalent to the first month's rent. An ongoing management fee is usually calculated as a proportion of the monthly rental. Some estate agents may also offer you a rent guarantee scheme, which for a higher monthly fee would ensure that you receive a regular income from the property in periods between tenancies.

There are definite advantages in retaining managing agents, firstly because it saves the local church from having to have such a "hands-on" involvement in looking after both the property and the letting, and secondly because it ensures that the professionals deal with the tenants. Where the tenants are known to the church, it is even more important to have an independent party that can take a hard line in defending the church's interest where this is necessary. In all cases, anyone representing the church in dealings with tenants or potential tenants should guard against making or appearing to make any promises or agreements about rights or use that are in addition to or contrary to the terms of the lease.

Before visiting the agents, it is worth having certain pieces of information to hand:

- Full address of the property (including postcode if it has one)

- Brief details of the property (eg, how many bedrooms, presence of a garage, gardens, double glazing, burglar alarm, smoke alarm, gas, electricity, water, telephone, cable or satellite TV, type of heating, council tax band) – the agents will visit the property and draw up their own description, but it helps to give them some idea up front
- Full name and address of the trustees, their solicitors, and the local church contact
- Whether the property is freehold or leasehold
- Whether the property is currently occupied
- Whether they are to be provided with a key to show viewers round
- The length of time anticipated for the tenancy

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).

The Synod solicitors will have to confirm that they approve the proposed wording of the tenancy agreement. Most agents have standard forms of words, and many will have been approved in the past, but you should check this and ask the agents to send a copy to Trust Officer at the Synod Office.

#### 6. *Terms of Engagement*

The estate agents/surveyors will usually draw up a letter of engagement, setting out the terms under which they will market the property for sale and/or manage the letting.

Although the local church will be dealing with the estate agents on local matters, it should be made clear that the letting will proceed in the name of the trustees, and therefore the letter of engagement should more properly be signed by them. However, the trustees will expect the local church to pay any associated costs.

#### 7. *Method of Marketing*

The agents will want to visit the property, inspect and photograph it, and after some consideration will advise on the best method of marketing. In some cases, it may be that relatively minor works could significantly enhance the letting value, and in such instances the church could expect to recoup any expenditure on improvements from the rental.

8. *Accepting an Offer*

The agents will advise when a suitable tenant has been found, and should carry out a credit check and preferably obtain a reference from their existing landlord where applicable. It is then up to the local church to accept this recommendation. The tenancy agreement and inventory checklist will often be signed by the agents on behalf of the trustees.

FINAL MATTERS

9. *Commencement of the Tenancy*

The tenants will usually pay a deposit or bond to the managing agents equivalent to one month's rent. This will be held and refunded to the tenants at the end of their tenancy, less any retention to cover unpaid rent or damage.

Before the tenancy begins, you or your agents should contact the gas, electricity, water and telephone providers to arrange for meters to be read and service contracts transferred from the date of commencement. Insurers and council tax department should also be informed of the change of occupier. Insurance premiums are usually higher when a property is vacant or tenanted than when it is used to house a minister's family.

On the day of completion, the church will make sure that the property is vacant and that the all keys are with the estate agents, so that they can be released to the tenant. The estate agents or the church should retain one spare set of keys for use in an emergency.

10. *Proceeds of Rental*

The money from the letting should be used in accordance with the original Synod decision, which will usually stipulate that it should primarily be spent on maintaining and repairing the property and (in the case of a manse) bringing it up to national manse standard. This will of course release the church from the burden of funding these items from its general income.