



The Methodist Church of New Zealand  
Te Hāhi Weteriana o Aotearoa

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Administration Division

# BRICKS & MORTAR

Everything you need  
to know to manage  
church property

2<sup>nd</sup> Edition – June 2023



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## Document History

Version	Date
2 <sup>nd</sup> Edition – Electronic document	June 2023
Section 8 – Complete Revision	Conference 2022
Section 6 – Update	August 2021
1 <sup>st</sup> Edition – Printed document	May 2019

### AMENDMENTS

Amendments will be marked with a bar on the left hand side of the page.

# INTRODUCTION

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## **The Church and Property**

Property is one of the most visual and tangible resources of the Church, but it is only a means of enabling the Church, that is, "The Body of Christ", to worship, nurture, teach, witness and serve. It must never be seen as an end in itself.

The Church, when administering property, considers it from various standpoints and, in doing so, endeavours to recognise the importance of wise stewardship of such resources. All property of the Church is held for the ultimate benefit of the Church and is under the final authority of Conference.

When property is held by the BOA, the local parish's responsibility regarding property is substantially altered, as control and oversight of the property are directly held by the parish and not through a permanent group of separate trustees.

## **Purpose of this Guide**

This property guide is provided as a reference tool for dealing with Church property. It is not a substitute for the Law Book or seeking legal advice in the case of property transactions that will affect the title or legal status of Church land.

By having all property matters in one manual, we hope it will be easier for parish councils and property committees to work through important issues and processes. It does make for a large and somewhat imposing document; however, we have tried to order the manual so that the sectors most referenced are near the front, and each section is complete in itself, meaning that you can ignore the sections that do not apply until they are needed.

We express our thanks to the Presbyterian Church of Aotearoa, New Zealand, whose property manual has assisted with the format and content of this handbook.

# EXPLANATION OF TERMS

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## **Attestation Clause (signing of documents)**

A formal statement describing the manner in which a legal document is signed. The Attestation Clause for documents executed by the Board states: "The Common Seal of The Board of Administration of the Methodist Church of New Zealand was hereunto affixed, and these presents signed by two of the said members of the BOA."

## **Agreement for Sale and Purchase**

A legal document in which all the terms and conditions of sale are recorded. This is signed by the purchaser and the vendor at the time of agreement. Once signed by both parties, the agreement becomes a binding contract subject only to the conditions stated in the agreement. When the title is held in the name of the BOA, this document must be signed by a member of the BOA. If the property title is held under a Model Deed Trust, the majority number of the Model Deed Trust members sign where appropriate.

## **Authority and Instruction (A&I) Form**

A signed A&I form gives a lawyer or conveyancer authority and instruction to lodge a dealing for registration under section 164A of the Land Transfer Act. By signing the form, a client is agreeing that all details provided are correct. For properties held in the name of the Board of Administration of the Methodist Church of New Zealand, this form is signed by two members of the Board, witnessed by an appropriate professional, and the Board seal is affixed.

## **Board of Administration (BOA)**

Board of Administration of the Methodist Church of New Zealand.

## **Certificate of Title**

Record that identifies a specific property by legal description, registered location, size and the owner. Records of properties are now electronically recorded by Land Information New Zealand (LINZ).

## **Detailed Seismic Assessment (DSA)**

A more detailed quantitative appraisal by an earthquake engineer that establishes the seismic performance of a building based on its individual characteristics. The DSA was previously called a Detailed Engineering Evaluation (DEE).

## **Execution**

Act of formally signing a legal document. For Church property matters, this is execution by also affixing the Common Seal of The Board of Administration of the Methodist Church of New Zealand.

## **Instrument of transfer**

Formal document upon which the details of a sale and purchase of a property are entered for recording in the Land Transfer Office.

## **Initial Seismic Assessment (ISA)**

High-level assessment to indicate the likely seismic performance of a building, often considerably more conservative than the next assessment. The ISA was previously called an Initial Evaluation Procedure (IEP).

## **Land Information Memorandum (LIM)**

A report issued by a local authority which contains information about a property.

## **Loan agreement**

Formal document in which all the terms and conditions pertaining to the money being borrowed must be disclosed.

## **Methodist Connexional Property Committee (MCPC)**

Committee that deals with all property and insurance matters. The committee approves, subject to prior approval from Synod Property Committees, the sale and purchase of property, all building alterations over \$50,000 in value and/or requiring a resource or building consent, loans from the Church Building and Loan Fund (CB&L), Property Development Grants, Lease Agreements over a 7-year term (including rights of renewal) and other property related matters. The Committee is a subcommittee of the Board of Administration of the Methodist Church of New Zealand.

## **Mortgage**

Legal document which sets out the terms and conditions upon which the security for any borrowing is effected against a property.

## **Parish Council/Leaders Meeting**

Governing body of a parish congregation.

## **Parsonage**

Parish residential property that provides accommodation for the Minister and family.

## **Partner Churches**

Any combination of Anglican, Christian Churches, Congregational Union, Methodist and Presbyterian Churches (comprising partner Churches) may form a union or co-operative venture.

## **Service Tenancy Agreement**

A contract between a Parish and a Presbyter. It sets out everything the Parish and Presbyter have agreed to about the tenancy.

## **Synod**

Regional body of the Methodist Church that oversees, guides and supports all Methodist parishes in the Synod region.

## **Tenancy Agreement**

A contract between a landlord and a tenant. It sets out everything that a landlord and a tenant have agreed to about the tenancy.

## **Uniting Congregation of Aotearoa New Zealand (UCANZ)**

This is the national body that oversees cooperative ventures, including union parishes, on behalf of partner Churches. In respect of particular co-operating ventures, it exercises the powers of a Joint Regional Forum where none exists for that co-operating venture.

## **Valuation - Insurance**

Report from a Registered Valuer or Quantity Surveyor to determine the building replacement value for insurance.

## **Valuation - Market**

Report from a Registered Valuer stating the condition and current market value of the property under consideration. This differs from a valuation carried out for insurance purposes.

## **Vendor**

Owner of the property that is being sold

# COMMITTEES

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## Church Property Committees

Property Committee membership shall be for three years, with at least one-third retiring annually by rotation, but shall be eligible for re-appointment. (Law Book 9:4.3.)

The Leaders Meeting or Parish Council can act as the Property Committee. Responsibilities of the Property Committee include:

- Maintaining an adequate standard of maintenance and repair of all property, including furnishings, organs etc.
- Managing the property for which it is responsible
- Insuring all property in accord with the parish's strategy and Church requirements
- Reporting regularly on property matters to Leaders' and/or Parish Meetings, and ensuring that funds are allocated, including appropriate budgets and required maintenance reserves
- Arranging development or re-development of property in accord with the parish/Synod strategy
- Ensuring that the parsonage meets the guidelines as approved by Conference and is adequately maintained. A separate maintenance fund should be established and funded: the Committee recommends annual funding at 10% of the notional stipend
- Ensuring that the correct procedures are followed where there is any proposed sale, purchase or development of buildings
- Approving drawdown of 80% interest withdrawals from CB&L Fund deposits.

## Synod Property Advisory Committee

The Synod Property Advisory Committee consists of not less than five persons and shall be elected annually at the August Synod meeting. In electing the Committee, Synods should have regard to skills that will be required to carry out its functions, and there should be sufficient representation on the committee to represent the Church Community.

Skills required include formulating strategy, building, finance and property-related knowledge.

Responsibilities of the Synod Property Advisory Committee include:

- Assisting parishes to work out their strategy on property matters
- Studying and considering parish aspiration, strategy, plans, and the financial implications of any project being considered
- Assisting local churches and parishes in all matters concerning buildings, repairs, seismic strengthening, maintenance, architects' briefs, plans, specifications and the sale or purchase of any property
- Assisting parishes in discovering and documenting the history of any property held
- Considering all proposals by parishes for the purchase, sale, lease, mortgage or other borrowings against buildings and property, plans and specifications of proposed buildings or alterations to buildings
- Reporting to Synod and the Methodist Connexional Property Committee with recommendations regarding any proposals
- Approving withdrawals from the Church Building and Loan Fund for building projects
- Approving Property Development Grant Applications.



## Methodist Connexional Property Committee

This Committee is a subcommittee of the BOA acting on behalf of Conference and, as such, is responsible for considering proposals submitted by parishes, together with recommendations by the relevant Synod Property Advisory Committee.

Responsibilities of the Methodist Connexional Property Committee include:

- Considering strategy when there are proposals for sale, purchase, new builds and refurbishment, enlargement, alteration, demolition or repairs to any projects over \$50,000 in value and/or requiring a resource or building consent, dissolution of churches and parishes and insurance
- Receiving, considering and commenting on all applications for property acquisition, disposal, erection, enlargement, or alterations for projects over \$50,000 in value and/or requiring a resource or building consent of Church buildings
- Obtaining advice from Synod Property Advisory Committees as appropriate for all property matters
- Approving developments proceeding after determining they meet the Conference requirements
- Approving loans to parishes as required up to the approved limits subject to consideration of the budget, project funding and ability to service the loan and maintain the mission of the parish
- Approving borrowing by parishes, missions and other Church boards for property purposes
- Approving exemptions from 15% of proceeds of the sale of redundant Church property
- Approving Properties Development Grants
- Determining that the parish has undertaken the appropriate research on the history of property held when approval is being sought to buy or sell property – see Land Story, Section 8
- Ensuring adequate insurance arrangements are in place
- Assisting the Church to understand and develop its relationship with property and the resources of the Church and compliance with all relevant statutes, by-laws and regulations
- Considering the issues that arise when one Methodist Church of New Zealand congregation 'transfers' Church property from another Methodist Church of New Zealand congregation. The Committee's concern is that the settlement of the transfer of stewardship between the Methodist Church groups should be discussed in the context of Koha rather than necessarily a valuation-based negotiation such as would be the case with an outside party
- Approving Lease Agreements in excess of a 7-year term, including rights of renewal
- Managing the Asbestos Management Register.

**Note: Approvals for sales/purchases and projects lapse one year after they are granted. MCPC Agenda closes 10 days before each scheduled meeting.**