



The Presbyterian Church **Property Trustees**

NEWSLETTER

MAR
2022



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PIF On Call interest rate to increase

The On Call Fund interest rate will lift to 1.75% from 1 April 2022 (the Long Term Fund remains at 3.0% plus inflation)

The interest paid on balances in the Presbyterian Investment Fund On Call account will increase to 1.75% p.a. (from 1.50% p.a.) from 1 April 2022.

The rate hike follows hot on the heels of the increase at the beginning of the year – and more increases are expected. The On Call interest rate is closely linked to the Official Cash Rate, as set by the Reserve Bank of New Zealand. The RBNZ has indicated that it expects to continue to lift the OCR over the course of 2022 and into 2023 in an effort to combat inflation. This is both good and bad news for congregations. A higher PIF On Call rate means more income. On the other hand, interest rates are not currently keeping up with inflation, which suggests costs are probably increasing by even more.

The Long Term Fund continues to pay interest income of 3.0% p.a. plus inflation. Inflation for the quarter to 31 December 2021 was 1.45%, so Long Term Fund account-holders received a further 1.45% income into their account over this period. No reserve interest was paid on Long Term Fund balances for the quarter to 31 December 2021. Market watchers will have noted that share prices have fallen quite sharply so far this year, increasing the prospect that the Long Term Fund will record a loss for the March quarter.

For more information, please email: trustees@presbyterian.org.nz

Update to the Property Handbook

A new edition, the first update since 2016, will be [available here](#) from 11 April 2022

The Property Handbook is a comprehensive guide for parishes and presbyteries when dealing with properties. It describes the procedures to be followed when considering property development, transactions and management.

The Handbook addresses key transactions such as buying and selling land and buildings, alterations and renovations (including earthquake strengthening), leasing, and borrowing. The Handbook also covers less common activities, such as subdividing land, gifting property and/or congregational funds, using capital for mission, and applying for lottery funding. It addresses maintenance and insurance requirements, provides advice on dealing with heritage issues, details what happens when a congregation is dissolved, and reminds everyone about the duties and responsibilities of decision-makers.

Are there any big changes?

Only one. Most of the changes reflect an evolution in best practice property dealings, along with a general update. There is, however, one new development. Residential tenancies require the approval of the Church Council, Presbytery and the Trustees. A new one-page application form is being introduced to facilitate this.

What are some of the other changes?

- We have highlighted the importance of communications planning when you are considering selling a church building that has community interest
- More detail has been included on applications for work costing less than \$50,000
- The use of a Concept Approval for major projects has been strengthened
- We have made it easier to manage the approval process for purchases (before you make an offer) and construction contracts (so you don't lose on a quote)
- We have stressed that you must include sufficient contingencies in your planning
- We have clarified when you need to use a registered architect and when an architectural review is required
- We have included some suggestions on what to include in a facility hire agreement (and confirmed the Trustees need not be involved in this)
- Congregations are reminded they must comply with Healthy Homes requirements for all residential tenancies, including minsters' housing
- We have noted that repairing a heritage-listed building might qualify for lottery funding – and that a Trustee must be a co-signatory on your application
- We have added some guidelines on using insurance proceeds to carry out repairs
- We have clarified the options available to presbyteries when dealing with the property of a dissolved congregation and the time available for presbyteries to act
- Finally, we have reinforced the requirement that partner Church property trustees must be involved in all major property transactions – and that we must be involved in all major property transactions, even if the property is not held in our title.



The Handbook is available from the Trustees' [Property page](#) on the PCANZ website.

Hope West Melton gets a bigger church

The congregation outgrew their old church – so they built a bigger one

Hope Presbyterian parish in Christchurch was formed by the amalgamation in 2012 of the congregations of Hornby, West Melton, Halkett and Rolleston. It is now the largest parish within Alpine Presbytery.

As the West Melton community grew following the Christchurch earthquakes, so too did the congregation. In fact, it outgrew its old church building, so decided to embark on an exciting expansion project. The redevelopment involved extensions to the existing auditorium, the addition of a Sunday School and youth centre, new offices, parents' room and entry foyer, and upgraded toilet and kitchen facilities.

The Trustees first approved the project concept in 2018, with the final approval at the end of 2019. As is the case when it comes to building projects, the Trustees then approved a cost increase in 2020.



A year later and the congregation was able to enjoy its first service in the new facilities.

The total cost was \$2.5m and with the help of a professional project manager, the project was delivered on budget. The congregation contributed about a third of the funding, with a third from outside the congregation (including the Alpine Presbytery and Press Go Mission Funds), and the final third via a loan from the Presbyterian Investment Fund. The local church community also contributed countless hours of voluntary time to see the project through.

Both the congregation and community are loving the new and refreshed buildings. Even though COVID has prevented an official community-wide opening, there has been a steady stream of new people coming to worship. The parish is delighted. "This is what it is all about: a superb new facility that meets our current and future needs - and a gateway for folk to find a relationship with Jesus Christ."

The West Melton redevelopment is not the only project keeping the good people at Hope busy. Rolleston is one of the fastest growing communities in the



country and the congregation there is growing just as quickly. They have already purchased land in a key location and plans for an exciting new church and community complex are well underway. Watch this space for more news on this project!