



The Presbyterian Church Property Trustees

Property Application Fees

Property application fees are increasing from 1 September 2019. The fees have remained unchanged since 2017, but unfortunately, they seldom now reflect the time, effort and costs incurred by the CPT Office. There are two main reasons for this. The first is that property proposals have become increasingly complex, particularly the large building projects that are upwards of a million dollars in value. Secondly, compliance demands have also increased, meaning that we are spending more time on each proposal. The Trustees would like to make the fee structure more equitable, by having larger projects carry a greater share of the costs.

What do the Trustees do?

The Church Property Trustees do much more than simply “rubber stamp” property applications. The CPT office puts considerable time and effort into presenting an application for consideration by the Trustees, ensuring they have the detail required to make a well-informed decision in line with the General Assembly’s guidelines. But that’s just the start. Typically, even more time and effort goes into shepherding contracts, documentation and financing through to the conclusion of the project.

Expertise and experience

Whereas a parish might undertake the sale or purchase of a property or a major building project every now and then, the CPT Office and the Trustees deal with more than one project each week. As a result, the CPT Office and Trustees (already experienced property people in their own right) have experienced a wide-ranging variety of property transactions. We’re able to share the lessons from each project we work on with every subsequent parish that applies.

How the Trustees can add value

Because of that experience, we are able to help parishes prepare their proposals, helping them to iron out wrinkles or deal with any potential ‘fish hooks’ we’ve come across before. Even more critically, we are constantly suggesting improvements to contracts and agreements to protect parish and Trustee interests. While we like to assume that all transactions will proceed smoothly, that’s not always the case, and it’s on those occasions that the work of the CPT Office is especially valued.

The Trustees have plenty of money – if only

Please don’t forget that the Trustees own no property in their own right and receive no funding from the national Church. Their only source of income is from fees charged for the administration of the various trusts under their control and from property application fees. While the Trustees themselves are volunteers, there are costs incurred in running the CPT Office and paying staff salaries.

From 1 September 2019 the property application fees will be as follows:

Application Value	Fee	
Less than \$20,000	\$150	
From \$20,000 to less than \$500,000	\$250	Plus 0.15%
From \$500,000 to less than \$1m	\$350	of the
From \$1m to less than \$3m	\$1,500	application
\$3m and over	\$2,000	value

Applications which involve Borrowing, Lottery Grants or Building Contracts attract a further charge of \$250 each. **All fees shown are exclusive of GST.**

Additional fee for complex transactions

The Trustees reserve the right to charge an additional fee for complex transactions that require their ongoing involvement during the course of the project. This might occur where a parish has applied for and been given approval to sell or buy a property and it might take two, three or more proposals to finally achieve a sale or purchase. At each step the CPT office is involved with reviewing valuations, contracts and various other reports as well as liaising with both the parish and the Trustees' solicitors to ensure all documentation is up to standard.

IMPORTANT NOTICE - AUDIT CONFIRMATION LETTERS

It is that time of the year again! If you receive a letter from the Trustees requesting confirmation to their auditors, Ernst & Young (EY), of your PIF account balances as at 30th June, it is important that you complete this and return it to the address provided without delay. This is an important part of the Church's audit process and the audit will be held up if these confirmations are not received. The confirmation process is quick and easy - and we really appreciate your help. Thanks.

Insurance Collective Renewal Date 1 August

The collective insurance arrangement was renewed on 1 August. We hope you've all been in touch with Crombie Lockwood, our broker and administrator, to ensure you have the appropriate insurance in place. The Insurance Collective provides specialist cover that is tailored to the needs of parishes. Participation in the collective offers everyone benefits, and is particularly helpful to those parishes that would find it impossible to find insurance cover right now (because of their location).

Changes in the Church Property Trustee Office

Yes, it's true: Kos and Pat are about to retire - but the good news is that they will still be with us a little longer. Kos's replacement, Russell Garrett, started on 1 July and is busy trying to learn as much as he can from Kos and Pat. We are currently recruiting for Pat's replacement and look forward to introducing the 'new Pat' to you shortly. We'll let you know exactly when Kos and Pat are finishing up. You can reach Russell on (04) 381 8296 or 022 548 4903 and at russell@presbyterian.org.nz.

