



## The Presbyterian Church Property Trustees

### The All New 2016 Property Handbook

For the past several months the Trustees have been working on a new edition of the Property Handbook that we believe will provide parishes with a comprehensive guide to the wide variety of property matters they now have to deal with.

It covers in detail, the processes around selling, buying and leasing property, undertaking major renovations and building projects, subdividing land, the use of capital funds, borrowing by parishes, gifting of property or funds and lottery grants.

There's also information about dealing with the property of closed congregations, about the constraints of land use that can result from heritage listings and local authority controls, about health & safety and earthquake prone buildings, and about property maintenance and insurance.

In order to keep the Property Handbook right up to date and relevant, we will not be printing it in hard copy. Instead, it will shortly be available on the Trustees' page of the Church's website, where we will be able to update it as and when required. You will be able to download and print the whole Handbook, or just the particular section you need. When you've had a chance to look at the new Handbook (which will replace the 2010 version) at [www.presbyterian.org.nz/for-parishes/church-property-trustees/the-property-handbook](http://www.presbyterian.org.nz/for-parishes/church-property-trustees/the-property-handbook) we would be very interested in your feedback.

#### %% What PIF Interest Rate to use for your parish budgets %%

2015 saw a continuing decline in interest rates and unfortunately, 2016 is not offering any hope of a reversal of this trend. The Reserve Bank announcements have indicated that further reductions throughout 2016 cannot be ruled out. Very low market interest rates make it difficult to reinvest funds at a good interest rate, especially as the Trustees are not prepared to compromise the very low level of credit risk they have always insisted on. As previously advised, the PIF interest rate will reduce from 3.50% pa to 3.25% pa from 1<sup>st</sup> May 2016.

So, again this year, it is particularly difficult for the Trustees to provide guidance with regard to parish budgets. On the basis that further rate reductions are expected, we suggest parish treasurers use **2.50% pa** as their assumed interest rate for the year ending 30th June 2017. But, as with all crystal ball gazing, we can't give any guarantees. Please note that this information is not financial advice and parishes must make their own decisions.

#### **GST on the sale of property**

There have been several instances recently where the GST implications on the sale of property have not been fully understood. **Before you commence marketing the property, you need to carefully consider the GST aspects of the sale** i.e. will GST be payable on the sale? The Trustees (as the legal owner) are GST registered and must include the sale transaction in their GST return. If GST is payable, this is paid from the sale proceeds and therefore reduces the amount received by the parish. If in doubt, we urge you to seek professional advice.

## Pentecost "pre-winter check list" for your Church



In a few weeks time, we will be celebrating Pentecost, the coming of the Holy Spirit accompanied by tongues of fire and fierce winds. To protect your church buildings from fire and wind, now is an opportune time to do an inspection and remedy any defects before winter sets in. Below is a short check list which may assist you. Further information on property maintenance can be found at:

<http://www.presbyterian.org.nz/for-parishes/church-property-trustees/the-property-handbook>

### Your Pentecost Checklist

- Roof inspected and any defects fixed
- Gutters and down pipes clear from leaves and debris
- Storm water drains clear
- Rubbish bins secured away from the building to reduce risk of arson
- Doors and windows water tight
- Adequate ventilation throughout the interior and under the building
- Smoke alarms and other fire fighting equipment in good working order
- Book cases and all equipment on shelves or hanging from the ceiling secured
- Grounds including paths, steps and stairs tidy
- Building Warrant of Fitness current

#### Correspondence from Local Authorities and Heritage NZ

Just a reminder to please ensure that any correspondence relating to a Heritage or Historic places designation is forwarded to both your Presbytery and to the Trustees' Office without delay. This is important, as often there is a time frame within which a response needs to be made.

Copies of letters concerning overdue rates, overdue Building Warrants of Fitness, Section 124 Notices and other similar matters should be forwarded to your Presbytery and to the Trustees, with a note indicating what action has or is being taken. Importantly, if you receive incorrectly addressed mail not relating to your parish, please forward it to the Trustees' office as in some cases, the consequences could be significant.

Kos, Pat & Marion in the CPT office are pretty versatile, but unfortunately we're not clairvoyant!

When emailing PIF requests, could you please include your PIF number, the full name of your parish and a contact phone number. Emails from Mary Smith, St Andrew's or St James (for example) mean we have to email back to identify the right parish, which in turn may cause a delay in actioning your request.

While not clairvoyant - we are here to help. Please contact us with any PIF, property or general trustee enquiries. 😊

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