

GUIDE FOR CHURCHES LEASING OUT RESIDENTIAL PROPERTY

When considering renting out any residential church property, the Union suggests that churches use the following checklist.

- **Arrange a Special Church Meeting**

According to Schedule B of the Baptist Union of Victoria Incorporation Act 1930, a Church wanting to rent out its Manse or other property must hold a Special Church Meeting and vote on the matter. (See *Guide to Holding a Special Church Meeting* for more information.)

- **Authorise Signatories**

Should the church members agree to the proposal, the meeting should also authorise at least 2 people to negotiate and sign all necessary documents on behalf of the Church.

- **Find an Agent**

Whilst some churches may wish to look after the leasing and maintenance themselves, it is recommended that churches engage a Real Estate Agent to manage the rental property. This will cost the church a management fee, but not many church staff or volunteers are experienced in the area of rental property management and most are already overworked!

- **Get it in Writing**

Whether you use an agent or do it yourself, you must sign a Residential Tenancy Agreement. This will set out the terms and conditions of your lease.

- **Advise Your Local Council**

Write to your local council to advise them of the change in property status. Land which is used by a charitable institution, exclusively for charitable purposes (such as a manse that houses the church's minister), is exempt from land tax and all rates, other than water supply & sewerage. As soon as the property is rented by anybody else, it is then subject to rates and land tax, even if the rental income is being used to fund church activities. It is the church's responsibility to notify council of the change in rates status and honour their financial responsibilities.

- **Advise the BUV**

Write to the Baptist Union of Victoria to advise them of the change in property status. Each year we need to advise the State Revenue Office of which properties are eligible for the Land Tax exemption and which are not. If you are deriving an income from the leasing of your property, we need to know.

For more information on renting, landlord responsibilities, free training sessions and to download a Residential Tenancy Agreement go to Consumer Affairs Victoria website at www.consumer.vic.gov.au or call 1300 55 81 81.

For more information on land tax exemptions contact the State Revenue Office on 13 21 61, email them at sro@sro.vic.gov.au or browse www.sro.vic.gov.au.

For more information on exemptions to rates specific to your property please contact your local council.

If you are leasing out other non-residential property, please speak to the Union or your legal advisor as there are different requirements for these properties.