

## Rental process

Here is a step-by-step plan for (long-term) renting of a (church) building. This step-by-step plan is only for the permanent (24/7) rental of your own building and not for the rental of time slots. This is only a guideline by the way.

### To-rent process

Before considering renting a building, the church board should consider whether it is really necessary to rent a building on a long-term basis (say, a 5- or 10-year contract). Long-term rental of a building involves many responsibilities. Can the church bear these monthly burdens? How stable have the donations been over the past 3 years? These are all questions that you as a church should ask yourself before starting the rental process.

#### 1. Administration in order?

Good administration is the basis of every organization. Do not take any steps until all church records are in order.

a. Who can sign on behalf of the church? Think of the agreement with the estate agent, at the notary, etc. On behalf of the church, only people who are registered as board members at the Chamber of Commerce can sign. Usually, the statutes of your organization state whether you are jointly authorized. If so, a board member may only sign a rental agreement if the other board members agree as well. Record these agreements in writing in the minutes of the board meeting. Then nobody can sign anything on behalf of the church without the approval of the leadership, and there can be no misunderstanding about it later.

b. Are annual figures in order? Real estate agents can ask about this because they want to know that their tenant is financially stable and can meet the payment obligations.

#### 2. Determine the vision of the church.

This is the basis of the search for a new building. Please see the document 'Vision on a building' to read more about this.

- a. Think at least 10 years ahead when determining the vision. We are all Christians but everyone has their own ministry.
  - i. Are you more focused on handing out food packages? Then a business hall is more suitable for unloading the incoming goods.
  - ii. If your ministry is more focused on cooking for the poor, then a professional kitchen should not be missing.
  - iii. Do you expect an upward trend in the number of members? Then take into account the double number of people when selecting a building. Normally you count on 2 m<sup>2</sup> per person in terms of surface area of a hall.
  - iv. Do you want to start a Bible school in the future? Then it is wise to include several classrooms in your plan.

#### 3. Assemble a team.

Put together a building committee that will implement the policy of the board in the renting process.

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- a. Preferably choose members of the church who are experienced in these types of processes.
- b. Choose members who have free time to attend to this process carefully.
- c. Select trustworthy members.

#### **4. Hire consultants.**

The (24/7, full-time) rent of an average business/commercial property is between € 2,500 and € 10,000 per month excluding g/w/l, internet and insurances. So, your church is taking on a great responsibility. That has to be managed properly.

- a. Hire a commercial real estate agent with experience in BOG (Commercial Real Estate) or experience in renting church buildings.

#### **5. Start the quest/search and hold on to previously established vision.**

- a. Read the 'Search for a building' document for the right channels to find buildings.
- b. Always view the building with the whole committee and commercial real estate agent. This saves time and allows efficient work.

#### **6. Found a building?**

- a. Both the renting committee and the board agree with the choice of the building.
- b. Estate agent /advisor checks the zoning/destination of the building. If this does not correspond, a provision must be included in the contract/proposal that rental takes place only when the church receives a permit to use the building.
- c. Based on the abovementioned information; a proposal can be made for the building.
  - i. Always in writing, preferably through the advisers.
  - ii. Include clauses, such as subject to change in zoning plan.

#### **7. Agree on proposal?**

- a. Have the rental agreement drawn up by the letting agent.
- b. However, if you rent a building that does not have a social or religious purpose, then you still have to request the amendment of the zoning plan from the municipality.
  - i. An architect can guide you in this by submitting a request to amend the zoning plan.
  - ii. It is important that this procedure is included in the contract as a resolute condition. This means that if your church does not receive a permit, the rental agreement can be dissolved.
  - iii. Note: communicate everything by email!

#### **8. Signing the rental contract**

ALWAYS sign a rental agreement before taking the keys of a building!

- a. Go through the SKIN rental contract checklist to check everything properly. You can find this document on the 'Buildings' page.

- b. If the zoning plan is in order, an appointment can be made to sign the rental agreement. Nowadays everything can be digitally signed.
- c. Ensure that all authorized board members sign.
- d. After signing the rental agreement, the deposit will be paid to the landlord. It is customary to ask for 3 months' rent as a deposit excluding any VAT and service costs.
- e. Congratulations! Your church is now an official tenant of the building.

## **9. Check-in Report**

- a. Have your advisor walk through the building together with the owner or advisor of the owner to prepare a check-in report. This document provides an extensive report on the condition in which you receive the building. Photos are also taken, electricity/water meter readings are recorded and particularities are mentioned. This report prevents discussions when leaving the building. Please note: this is very important so that you can get the deposit back without any problems.

## **10. Insurances**

- a. Make sure you insure the building. Think of home insurance, which is also required by law. And at least household effects insurance.

### **And last but not least: put agreements in writing!**

For example, do not rent a building without entering into a rental agreement. Sometimes churches do this because it's cheaper and/or easier, or because they are really in need and can't find anything better. But you can never prove verbal agreements afterwards. This means that the landlord can always evict you from the building. Be aware of this risk. The same applies to all other verbal agreements about the use of a building. What is not written down, is not proof if discussions arise later. If agreements are not in the contract, at least have them recorded in an email.