



Policy on Leases and Rentals of Congregational Property

Background

In terms of legal definitions, a lease and a rental agreement are the same thing. They cover repeated, long or short term use of church property. These can be oral or written. A written agreement ensures all parties know and agree to the terms. A written agreement is required when approval by the regional council is needed. It is recommended for all rentals/leases.

A one-time use of church property is a license. i.e., the church grants the one-time user a license of church space. This could be for a one-time meeting or gathering by an outside party for a non-church event.

The Manual, Section C.2.6 specifies

The regional council is responsible for

- a) co-operating with the community of faith in buying, selling, **leasing**, and renovating community of faith property, and distributing any proceeds within denominational policies and guidelines, including
 - i) making decisions on requests from communities of faith to buy, sell, mortgage, exchange, renovate, **lease**, or otherwise deal with community of faith property;

Leases may be long or short term and may or may not involve a payment from the Lessee to the church.

With this in mind, this policy is intended to assist communities of faith in knowing when they need to seek approval of lease / rental agreements from the regional council.

Approval is not required:

for the following situations, whether a fee is charged or not. You are still encouraged to have a rental agreement approved by the community of faith's governing body, or in line with a rental policy approved by the governing body.

- i. One-time Licenses
- ii. Weekly, bi-weekly, or monthly use by not-for-profit organizations such as Girl Guides, Boy Scouts, AA groups, Al-Anon or other addiction groups,
- iii. Other groups such as yoga classes, dance classes, exercise classes, book clubs, quilting groups, weight watchers, who may be using a single room in the church on an ongoing basis, where the space is not dedicated to that group. They are generally in and out on the same day and time each week or month.
- iv. Regular renewal of leases including minor changes (e.g., cost increase)

Lease approval is required for the following situations:

- i. Groups or organizations which will be granted exclusive use of all or portions of the church property for limited times or at all times. This could include other churches, Montessori schools, office space dedicated to the Lessee.
- ii. A manse is being rented
- iii. Excess lands or buildings are being rented
- iv. A community of faith is leasing property from someone else
- v. New leases or significant changes to existing lease

Considerations for a lease or rental agreement:

- Check to ensure lessee activities are covered under municipal zoning bylaws.
- Term of the lease – start and end date
- An early termination clause should either party wish to terminate the lease
- Annual review of the terms of the lease
- Time of use (include if there are restrictions such as on Sunday morning during worship)
- Clarity of exclusive and /or non-exclusive space to be used and any restrictions that might apply
- Use of church name and postings in shared space
- Ability to maintain safe space requirements and anti-harassment policies including interactions with other persons using the property
 - Include a statement such as: “The lessee acknowledges the commitment of The United Church of Canada to be inclusive and accepting of all people irrespective of gender identity or sexual orientation and agrees not to include the name of (this congregation) or The United Church of Canada in any advertising or public statement that contradicts this commitment.”
- Any posters or signage to be approved before posting
- Specify if any priority for use of any shared space in the event of church events, weddings, funerals etc. and the amount of notice to be given to the lessee.
- Security and / or cleaning deposit (i.e., first and last month)
- Amount of payment on a weekly/monthly/yearly basis
- Issues of security and who has access to keys, alarm codes, duplication of keys
- Responsibility for cleaning, arranging of furniture, storage of supplies
- Any restrictions on the use of space (i.e., the use of alcohol, smoking, vaping, etc.)
- Define access to church fixtures, furnishings etc.
- Contact information in case of emergency
- Adequate insurance for property owned by the lessee, as well as proof of third-party liability insurance
- Use of musical instruments and audio/visual equipment
- Knowledge and compliance with pandemic or other health and safety related responsibilities
- Access by the lessor for maintenance purposes
- Review of the lease agreement by a lawyer
- Checking of references
- Will lease include use of WiFi and if so, will there be parameters around such use, and cost for use

Using a Commercial Real Estate Agent

- A real estate agent who specializes in leases may be a good way to find a tenant, however they may also charge a high commission. Keep this in mind when searching for a realtor. You may want to explore the services of [UPRC](#) or [TUCC](#) before entering into a contract.
- The lease agreement prepared by a realtor may not cover all details, and is usually not in an “easy-to-read” format. A more comprehensive lease agreement, drafted by a lawyer who has been hired by the Board of Trustees is recommended.

If you have any questions about whether you need Regional Council approval or have questions about leases in general, please contact your Minister, Congregational Support.