

Information Sheet

Property Services Fees to apply to applications approved on or after 1st July 2024.

Background

Late in 2023, it became apparent that the current Property Services team was increasingly under pressure in meeting the volume challenges of the work we are required to perform.

In December 2023, the Property and Operations Committee considered and approved two changes to the team composition to alleviate some of these pressures, being:

1. The recruitment of an additional Development Manager role in Victoria, via a head count reallocation from a vacant Project Manager position; and
2. As an early step, amendment to the fee charged on property sales of >\$500k value from 0.5% to 0.75% of gross sale proceeds from 1 January 2024, as advised by the Trust Secretary to all Presbyteries in January this year.
3. Further amendment being made to the fees that are charged for service to support the recruitment of a second Project Manager position which is accompanied by an approved increase in headcount for the team.

It is also noteworthy that the Synod has also added through 2023 a dedicated role to support the adherence of the UCA to ESM regulations, which role is now directly engaging with Presbyteries and congregations to improve understanding and compliance in this critical area.

Property Services' key role is to provide service and support to the users of real property in the church outside of the institutions, within a framework that protects enhances and where possible grows the common wealth of the church – reflecting and promoting “wise stewardship” over this particular resource area.

The driving factors that were discussed at some length in the Property and Operations Committee and sought to start to address via these changes and additions to the team breadth included:

- The increasing workload of complex and longer term property work as the church ages and congregations increasingly consider dissolution, amalgamation or transition to other forms of gathering and worship.
- A rising number of smaller projects that require support – the sub-\$50K band.
- Diminishing numbers and capacities within congregations to self-support activities related to property in today's environment.
- An ever more demanding regulatory environment related to real property.
- Delays in the existing team having availability to service requests – resulting in delays and frustrations for all.
- A lessening but still present need to re-work or revisit partially completed projects and redefine scopes to recognise constraints and existing conditions and the need for compliance upon completion.
- The reality that many of our projects involve changes to existing buildings and thence the need to more exhaustively investigate the starting environment prior to design commencement, including impact of the “new” upon the “old” in compliance terms.
- The lack of a strategic property plan in most presbytery areas that defines future landscape and allows for more orderly planning of activities, identification of merger/amalgamation prospects, and guides more efficient and timely decision and actions upon real property.
- A drive to dispose of surplus real property – an action that needs service in its own right, but often has a cascade effect of other changes and actions required.

- The conflict between the “day to day” and other significant activity streams – e.g. State Revenue Office Land Tax initiatives; UC Camping Divestment; (and in 2024 already, the Yoorrook Royal Commission and a further asset divestment).
- The continued and difficult to navigate relationship issues that arise when Uniting and congregational desires on shared use of sites diverge. While improving, when present these relationships take significant time and resource to sort through.
- The simple reality that our conciliar structure takes longer to execute within, often requires revisitation of topics, and can impose highly impractical constraints in decision making.
 - This “lag factor” translates to it taking 3-4 times longer in the UCA to do things as compared to similarly complex activity the external world.
- The fee structures are not designed to make a “profit” - rather they are intended to fund additional and continuing resource to provide the services increasingly required to best support the Synod’s congregations and bodies and safely manage the real property assets of the UCA in the Synod.

What is changing?

We will implement a transparent and consistent fee framework for activities supported by Property Services. The change will take effect for all work and applications dealt with after 1st July 2024.

Existing approvals for property activity will not be affected – the change is not retrospective.

UCA Legal Services fees will continue to be charged for some activities as has been the case for several years.

Rates for services from the Property Services team are deliberately set below those that would be charged by external service providers.

One fee for Property Services applies - this provides access to all areas of support e.g Project Manager, Development Manager, Financial or governance supports etc with these being available as and when required by the project or activity in question.

If a project and its scope expands or contracts, then both the recipient and provider of the services may reasonably request a change as may be relevant to the fee structure that applies.

When Property Services get called into to resolve a property related issue that has been caused by actions taken by a congregation or other Responsible Body, we will charge for the work on a case-by-case basis.

When a safety issue arises, we will not charge for advice and support to make safe and resolve a situation, but the Responsible Body in the longer term must take and accept responsibility to fund any corrective or repair actions required. If we provide services to support these subsequent activities we may charge a fee.

What does NOT change?

There will be no charge for any of the baseline support provided to congregations on general property matters, inquiry, safety issues, general advice, PART application management and processing, history searches, regular review meetings etc

Fee Table

Support Area	Current Fee	Proposed Fee (all exclude GST)	What is covered by this fee?
Leasing			
<ul style="list-style-type: none"> Commercial 	nil	<ul style="list-style-type: none"> 5% of first year's rental for new leases The greater of (1% of current year rental or \$500 fixed) for a renewal of lease. 	PS time, approval process support and commercial/legal document review and Trust execution.
<ul style="list-style-type: none"> Residential leases 	nil	<ul style="list-style-type: none"> \$500 fixed for a new lease \$150 fixed for a renewal (to cover PS time, approval process support and document review and execution) 	PS time, approval process support and commercial/legal document review and Trust execution.
Projects			
<ul style="list-style-type: none"> Project Formation Stage when there are PCG's being held and managed 	nil	<ul style="list-style-type: none"> A fee @ \$500 -1,500 pcm 	This applies during the establishment phases of more complex projects reflecting the generally large amount of work that is entailed in coordinating preliminary investigations, design scope formation and consultant briefing for quotations. Budget preparation to the defined and agreed scope and conditions. Assistance with approvals to build (3H) preparation
<ul style="list-style-type: none"> Minor Project oversight, guidance and support - \$50K 	Nil typically	<ul style="list-style-type: none"> \$500 for < \$10K \$1,000 for \$10-20K \$2,000 for \$20K - \$50K 	Applies once project is approved and commenced, and allows for contractor formal retention and coordination, works oversight, invoice checking and processing, variation assessment and guidance/recommendation, liaison between RBS, contractor(s), authorities and the trust.
<ul style="list-style-type: none"> Major projects >\$50K 	Varies but very low if any is sought other than ASP support work	<ul style="list-style-type: none"> 5% of job value 	Higher fee reflects increased complexity of management and contractor/works scope. Applies once project is approved and commenced, and allows for contractor formal retention and coordination, works oversight, invoice checking and processing, variation assessment and guidance/recommendation, liaison between RBS, contractor(s), authorities and the trust.
Sales Support			
Less than \$500K value	Nil unless MFMF where \$1,500 is levied	<ul style="list-style-type: none"> \$2,500 for all transactions including MFMF \$1,500 for MFMF IOMF or PSP rollovers (i.e. no change to existing charge) 	Support of the sale process, reporting on, investment and recording of sales proceeds, governance. Inspection of sale property, management and coordination of repairs recommended etc, Agent retention, agency agreement execution, contract execution.
Greater than \$500K	0.5% of gross sale price	<ul style="list-style-type: none"> 0.75% of gross sale price 	See above

Development Support			
Pre-Development Phase	Nil formal framework, but sometimes applied for larger projects	<ul style="list-style-type: none"> • Commonly expected to be between \$2,500 and \$3,000 pcm range. • In the establishment phases - PCG fee @ \$500 -1,500 pcm • Recorded in a formal letter of services 	<p>Project Dependent but typically:</p> <ul style="list-style-type: none"> • For established projects in pre-development (i.e. up to the point of Preliminary business (Form 2B or equivalent) case approval) a defined and agreed Monthly fee to support and run PCG's/development meetings to evolve thoughts, operations and define outcomes and objectives and evaluate development options and financial outcomes. • For the early establishment phases of some projects reflecting the generally large amount of work that is entailed in coordinating PCGs, setting up Terms of Reference, establishing consultant lists, and early works scopes obtaining quotes, preparing budgets and generally in this repetitive and iterative formative stage a lesser fee may be appropriate, especially if this takes place over an extended period
Active Projects	Nil formal fee framework but commonly arranged.	<ul style="list-style-type: none"> • 3% of the total project value chargeable in monthly instalments over the anticipated life of the project. • A UCA PCG coordination and conduct fee - \$1,000 per PCG. • These fees may by arrangement be drawn from future project profits - for example in cases where RB's do not have capacity to pay on a recurrent monthly basis, or when an external party is delivering the project. 	<p>Project Dependent but typically, following approval of a Preliminary Business Case (Form 2B or equivalent):</p> <ul style="list-style-type: none"> • Carriage of all governance processes required to obtain UCA approvals to commit (Form 3H or binding legal documentation with an external party to develop for the UCA). • Development planning and value maximisation. • Feasibility modelling. • Consultant selection, retention and scope setting and management. • Payment control and recording. • Legal documentation, briefing and oversight. • Preparation and conduct of RFP's for JV and/or delivery partners (project dependent) • Selection recommendation and offer evaluation for all parties • Management and coordination of development activity including <ul style="list-style-type: none"> ○ town planning, and construction ○ monitoring of construction progress and completion and handover ○ Building tender preparation, conduct and evaluation. • Novation of consultants as required