

Studio B
Architects

How do Churches fund their projects? Is there a secret to success in getting a project across the line?

This is the big question that hangs in the air when a scheme is presented that seems to solve so many problems and will clearly improve opportunities for Mission.

It's not architecture, but it enables architecture. It is therefore important to us as well as our clients.

Elephant in the Room

From our experience of working with many church clients we have observed a range of ways in which projects are funded. Here we have tried to identify these and cite a few examples. We offer these observations with the hope that they may be of assistance to future clients. It has to be said that most projects involve a combination of these core items:

1. Existing funds or bank borrowing
2. Releasing property value
3. Challenging the members to meet the need
4. Outside donors

History

The property that we use and enjoy today was generally funded by our predecessors. We are the inheritors of both the benefit and the liability. How did they fund property?

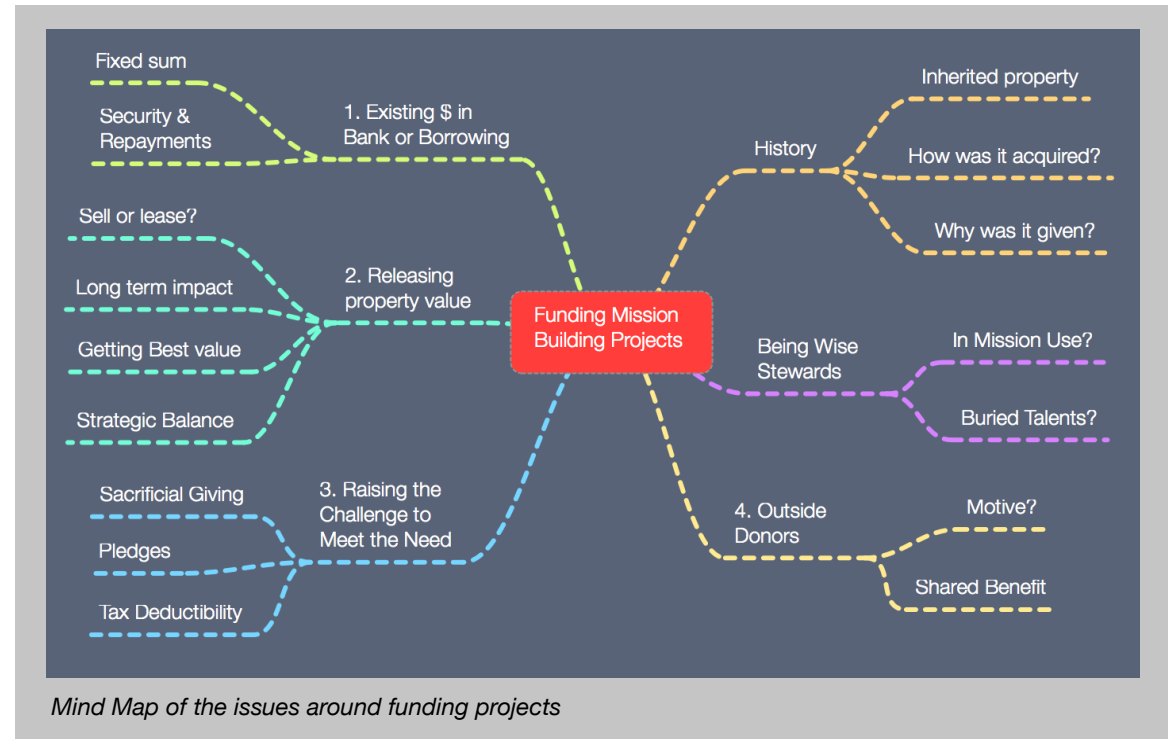
During the 19th century establishing places of worship was a natural response to settlement of this country. A lot of sacrificial giving took place as church members considered iconic buildings to be an essential part of the churches place in society. That is not to say that there were not difficulties. There are many churches that got as far as building the nave and the base for the tower or spire, but got no further. They are left with a stunted entry lobby at one corner of the building.

In many cases the buildings were funded so that future generations would have the benefit of hearing the gospel. Today, many elderly people who contribute towards projects do not live to see the building in action, but they have the same motives.

Wise Stewards

So, these buildings and land have been handed down to us to use for mission purposes. Does this place us under an obligation like that described in Parable of the Talents (Matt 25: 14-30) ?

Each project needs a champion. Someone with vision to lead it forward; this is often a lay member.



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Existing Funds Or Bank Borrowing

If all the money is there to carry out the project then it's time to get started; however this is rarely the case. US research suggests payment to cover borrowing might be up to 20% of a church's income.¹

Releasing Property Value

Is all of your property in use for mission purposes? If not, or if it's underused, could it be cleverly consolidated in order to release real estate value for redeployment in mission? Such solutions vary between denominations. Some have a commitment to use a proportion of released property value to plant new churches in new suburbs.

However this is an area where we can help. Where property is no longer required or where a smaller footprint can meet new mission needs, we can investigate development potential and propose ways of getting best value for the church as landowner. Risk is

borne by a developer at a cost of about 20%. Land value is the remainder after costs. In one case, the developer will give back 12 apartments to the church, to let at low rent to people with mild intellectual disability in return for a long lease on the land.

What is the long-term impact on mission of leaving buildings as they are compared with changing them?

Challenging the members to meet the need

Sacrificial giving remains a key means of funding a project. From experience it is also a means of deepening the faith of the members through real commitment. Dr Geoffrey Blackburn describes church building projects as "a spiritual exercise".²

We have seen this done through cash, pledges and even borrowing against members homes. In some cases tax deductibility can be applied, encouraging donors especially in May/June.



St Alfred's was funded principally by sacrificial giving from members. Grants were received towards the underground water tank and the educational element of the project.



St Aldates reordering & new entry (1999-2002) was funded mainly by sacrificial giving and borrowing. The 30% student membership were less able to assist, increasing the challenge to others. The loan was paid off in 2008. The previous major reordering in 1863 incurred borrowing which took 15yrs to clear.

Outside donors

When other people assist in funding the project, they need to see some benefit. For instance a cafe on a church site may be let to a commercial operator who pays rent and runs a facility that is a social catalyst, bringing the general public on to church property.

Specific charitable trusts may be willing to assist if it fits their remit. Sustainability grants may be available.

It takes vision, commitment, determination and teamwork to achieve a project.

Next month: The Project Team.

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¹ Craig Jensen, *Acoustic Dimensions*, WFX Conference, Atlanta, 2007

² *Beyond Imagining: 65 years of Christian Ministry*, Dr Geoffrey Blackburn