

**Course Title: The Real Estate Process for Selling Church-Owned and Religious Institute-Owned Property**

**Course Number: MSP1901**

**Company Name: Archdiocese of Hartford**

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## COURSE DESCRIPTION

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- ❑ The complicated phases involved in the disposition of Church and Religious Institute-owned property demand a rigorous attention to process and detail.
- ❑ Priority must be given to Civil and Canon law, proper sacred article disposition, and achieving the maximum sale price; all done while honoring restrictions set forth on adaptive reuse.
- ❑ This course will guide you through pastoral and strategic planning, property marketing, and executing the closing of the real estate transaction.

# LEARNING OBJECTIVES

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At the end of this course, participants will be able to:

1. Understand the rigors of selling Church-owned and Religious Institute-owned property while honoring restrictions set forth on adaptive reuse, using a step by step process.
2. Understand the necessity for the respectful and ethical disposition of religious and sacred articles, using examples.
3. Understand the importance of honoring Canon Law, especially in the appeal and relegation processes, using examples.
4. Have the tools to avoid the pitfalls that can impact the successful completion of the disposition process, using a step by step process and examples.

# Selling Church-Owned Property

- Looking Back
- Real Estate Process
- Canon Law
- Moving Ahead

# Looking Back: Archdiocese of Hartford

## Selling Church-Owned Property

### Change

- AOH established 1843
  - 112 towns/cities served
  - 550,000 Catholics served at peak in 1965
- Statistical decline post 1965 peak
  - 65% fewer priests
  - 30% less Catholics
  - 70% less Mass attendance

Category	2018	2019	% Change
Operating Expenses	\$11.1M	\$10.8M	-3%
Capital Expenses	\$1.1M	\$1.0M	-9%
Operating Income	\$1.1M	\$1.0M	-9%
Net Income	\$1.1M	\$1.0M	-9%
Operating Assets	\$1.1M	\$1.0M	-9%
Operating Liabilities	\$1.1M	\$1.0M	-9%
Operating Equity	\$1.1M	\$1.0M	-9%
Operating Debt	\$1.1M	\$1.0M	-9%
Operating Cash	\$1.1M	\$1.0M	-9%
Operating Other	\$1.1M	\$1.0M	-9%
Operating Total	\$1.1M	\$1.0M	-9%

# Looking Back: Pastoral Planning

## Selling Church-Owned Property

### Research

- Tapping into parish focus groups
- Analyzing parish life and context
  - Sacramental and financial statistics
  - Facility conditions
  - Geographical considerations
  - Clergy demographics
- Collaborating with consultants: PartnersEdge LLC



# Looking Back: Pastoral Planning

Selling Church-Owned Property

Office of Pastoral  
Planning

Presbyteral  
Convocation



Strategic Planning

J u l y   -   D e c e m b e r   2 0 1 4

# Looking Back: Pastoral Planning

Selling Church-Owned Property

Ongoing  
Communication

Central Service  
Office (CSO)



PartnersEdge LLC

F e b r u a r y 2 0 1 5 – J u n e 2 0 1 6

# Looking Back: Pastoral Planning

Selling Church-Owned Property

Deanery  
meetings

Pastoral Planning  
for parishes



Rollout with priests

M a r c h - J u n e 2 0 1 7

# Looking Back: Pastoral Planning

## Selling Church-Owned Property

### Outcomes

- Started with 212 parishes
- Ended with 127 parishes
  - 68 parishes remained "as is"
  - 59 new parishes formed from 144 merged parishes
    - Unions of two to six parishes
- 26 church buildings closed

# Looking Back: Property and Assets

## Selling Church-Owned Property

### Change

- Archdiocesan-wide reorganization June 2016
- Formation of Central Service Office (CSO)
- Evolution of Property and Assets Department
  - Created after CSO reorganization
  - Mission outgrowth of Pastoral Planning process

# Looking Back: Property and Assets

## Selling Church-Owned Property

### Research

- Policies and procedures
- CCFM resources
  - Benchmarks
  - Best practices
- Stakeholders
  - Pastors and parishes
  - Attorneys and appraisers
  - Insurance and real estate brokers

### Development

- Design and build concurrently
- Standardization
  - Processes
  - Documents
- Database
  - Buildings and locations
  - Parishes and entities
  - Data turned into information

# Looking Back: Property and Assets

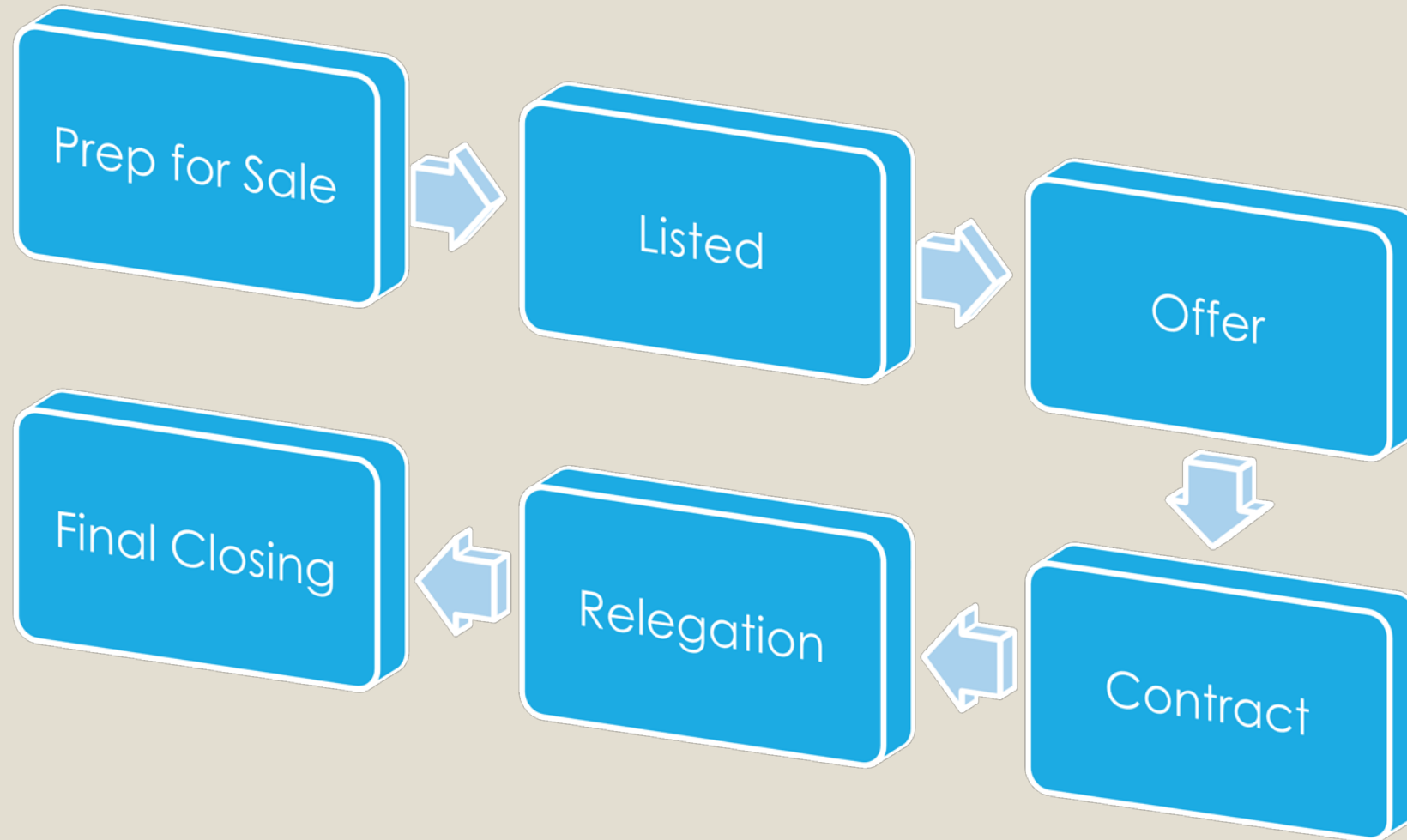
Selling Church-Owned Property

## Outcomes

- ✓ R&D completed
- ✓ Standardization in place
- ✓ Structure established
- ✓ Ready for launch July 1, 2017

# Real Estate Process: Step by Step

Selling Church-Owned Property



Item	Description	Amount
1	Property Tax	
2	Insurance	
3	Commissions	
4	Closing Costs	
5	Net Proceeds	
6	Other Fees	
7	Total	



# Real Estate Process

## Selling Church-Owned Property



# Real Estate Process

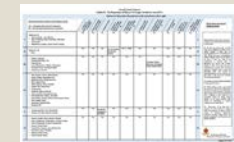
## Selling Church-Owned Property



# CANON LAW: UNIQUE CONSIDERATIONS

## Selling Church-Owned Property

- Use Restriction
- Preservation of Parish Patrimony
- Disposition of Religious and Sacred Articles
- Due Diligence
  - Finance Council
  - College of Consultors
  - Presbyteral Council
- Relegation and Rights of Appeal



# MOVING AHEAD

## Selling Church-Owned Property

- Measure results
- Manage all the moving parts
- Support ongoing Pastoral Planning
- Foster “team” development
- Refine database, reports, processes
- Learn from our best practices

# MOVING AHEAD

Selling Church-Owned Property

Shorten time  
to market



Get to the final sale  
at maximum value



Disburse the  
funds

**This concludes The American Institute of Architects  
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**At this time, the course participants  
are free to ask questions.**

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**Archdiocese of  
Hartford**



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