



General Trustees

The Property Holding Arm of The Church of Scotland

The General Trustees of the Church of Scotland

OFF-MARKET TRANSFER GUIDANCE



Introduction

This guidance is aimed at communities that are exploring the possibility of purchasing a church or hall building.

In an Off-Market Transfer (OMT) the General Trustees of the Church of Scotland (GTs) deal exclusively with a single preferred bidder, rather than advertising the building on the open market and inviting offers.

In recent years, the Church has identified that there is a need for radical change in the face of numerous challenges including falling ministry numbers, declining membership and a reduction in income both nationally and locally. To meet this challenge, the Church of Scotland's General Assembly instructed Presbyteries across the country to complete a Mission Plan as part of a comprehensive programme of reforms intended to ensure the Church is equipped for Christian mission in the coming years. A significant reduction in the number of buildings owned is necessary to deliver sustainable and realistic new expressions of ministry and church and to ensure the buildings retained are suitable for the needs of mission in the 21st century. We recognise that across the country church buildings have meaning and value to their local communities and decisions around the release of a building can be difficult.

To find out if a local church or hall building has already been identified for release, please contact either your local Presbytery Office or the GTs at **gentrustees@churchofscotland.org.uk**.

Find more information about the Church of Scotland on our website:

www.churchofscotland.org.uk/about-us/our-structure

Find a list of Church of Scotland presbyteries on our website:

www.churchofscotland.org.uk/contact/presbytery-list



Feasibility

Eligible Groups

The GTs have a good track record of engaging with legally constituted community groups when buildings are being released. The majority of OMTs are to Scottish Charitable Incorporated Organisations (SCIOs). However, other legal structures may be suitable. Further information on legal structures can be found by visiting the **Your Church Your Community** website

Whilst the GTs would welcome offers from other denominations, independent faith groups, businesses or estates, these would generally be via the open market. Approximately one third of church and hall properties sold in 2024 via the open market were bought by faith groups, community-based charities or local businesses –marketing the property doesn't exclude, it includes.

Off-Market Transfers –How Value is Decided

For any OMT, the building must be valued independently. This is done through a “Red Book” valuation by a qualified RICS Surveyor.

We know that local communities often have a long history and strong attachment to their church or hall building. However, the General Trustees cannot gift buildings or sell them for less than their independent valuation. As Trustees, there is a legal duty to act responsibly and ensure buildings are not sold below their proper value. The net proceeds of sale, once levies and expenses have been deducted, are made available to the local congregation to reinvest in retained properties. Projects to make church and hall buildings more accessible, flexible and to improve facilities, for the benefit of the congregation and community, are often only made possible by generating funds through property sales.

If a community group feels that the valuation is too high, they are always free to submit an offer once the property is placed on the open market. In practice, many church and hall properties sell for more than their valuation, sometimes by a significant amount.

It should be noted that for confidentiality reasons, it often isn't possible to share the full valuation report with interested parties without first requesting permission from the surveyor. To cover the additional exposure, the surveying firm may need to charge for the report to be shared between additional clients.

Eligible Buildings

In some cases, where a building is in a desirable location, sits within its own plot of land, or is in a busy centre of population the GTs may need to test the open market to meet their duties as Trustees. Community groups can still make an offer in these circumstances.

Where the building does not fulfill this criteria, the GTs are often willing to give exclusivity to a serious community interest. This means that if your group is organised and ready to proceed, you may be able to secure the building without it going to open market.

If the interested Community Group and building are thought to be eligible as detailed above, please contact the GTs by writing to: **gentrustees@churchofscotland.org.uk**.

Mechanics of Sale

Who Decides How a Building is Sold?

Most church and hall buildings are owned by the General Trustees. In these cases, it is the General Trustees who decide how and to whom a building is sold, though they will always consult with the local Kirk Session. The GTs will usually only consider an OMT if both the Kirk Session and the Presbytery are supportive.

In some situations, a building may be owned by Local Trustees. Where this is the case, it is for the Local Trustees to decide how the building is sold and the General Trustees will not normally play a major role. Local Trustees must make sure that their legal (fiduciary) responsibilities are met during any transfer.

When Can a Sale Start?

A General Trustee building can only be sold once both the Kirk Session and the Presbytery have formally agreed to the sale. This is the case no matter how ready or enthusiastic an interested group may be.

That said, any community group that is serious about acquiring a church or hall is encouraged to start preparations as early as possible. This includes:

- Making early contact with the General Trustees.
- Setting up a legal entity that can own the building (such as a SCIO).
- Begin fundraising and planning for how the purchase of the building will be financed and how building will be used and sustained.

Doing this work in advance will put your group in a stronger position when the disposal process begins (Presbytery Approval is received by the GTs). Please note that it would be advisable to contact the GTs before time and energy is put into the subsequent steps.

If the Church of Scotland is ready to sell, but a community group is still many months away from being able to complete the purchase, the General Trustees may need to put the property on the open market. This is especially likely if the building is no longer in regular use, because in those cases:

- Insurance costs increase significantly.
- The building loses its entitlement to rates relief.
- There are increased risks of the property becoming the target for vandalism or falling into disrepair.

It is also important to note that the responsibility for insuring, maintaining, and running the building rests with the local congregation until the sale is complete. These costs can be substantial, so the Church of Scotland may not be able to support a long or delayed sales process.

Exclusivity

If a community group meets the eligibility requirements and shows interest in an eligible property, the General Trustees may offer a period of exclusivity. This means the property will not be marketed during that time, and the Trustees will work only with that group.

The conditions of exclusivity are:

- Length: 6 months, starting once the valuation is confirmed.
- Purpose: To give the group time to engage with the wider community, secure funding, and complete the process of becoming a legally constituted body.
- Preparation: Ideally, much of this work should begin before the Church approvals process is completed, so the group is ready to move quickly.

In some cases, a short extension to exclusivity may be possible if:

- The building is still being used,
- The Kirk Session continues to support the transfer,
- A constituted body has been set up to take ownership of the building (e.g. SCIO), and
- The group can show clear progress in fundraising.

If these conditions are not met, the GTs may need to place the property on the open market. Likewise, if there are serious health and safety concerns or urgent repair issues, this may limit the GTs' ability to extend exclusivity.

Fundraising

The GTs are not set up to advise on fundraising. However, there are independent organisations, such as those detailed in the Your Community Your Church guidance, who have experience in assisting communities through this process. The majority of the OMTs which have progressed to date, of which there are many, have benefitted from Government funding (e.g. the Scottish Land Fund). Groups should make themselves aware of any funding deadlines and timescales as part of their due diligence process.



Head of Terms

Agreeing the Sale

Once a community group has reached its funding target, the General Trustees and the community group can discuss the details of the sale before solicitors are formally instructed.

A simple Heads of Terms (HoT) document will be completed at this stage. This is not the legal contract, but a summary of the key points that both parties agree on, which will then be passed to solicitors. The HoT will cover items including:

- The agreed purchase price.
- The source of the group's funding.
- Access arrangements.
- The proposed date of entry (when the group takes ownership).
- Title boundaries (these are checked before valuation).
- Whether any fittings or artefacts are included in the sale.
- Any other important conditions.

Important notes

- Communion ware is never included in a sale.
- Valuations apply only to the building and land (the heritable property).
- Moveable items are not automatically included. The future of these items will be listed in an inventory report provided by the General Trustees and compiled in consultation with the Kirk Session.

Once the HoTs are agreed and the solicitors instructed, the transfer may still take a number of weeks or months while the conveyancing process takes place.



Chronology

