

## **SUSTAINABLE MANAGEMENT OF CHURCH PROPERTY**

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### **Summary**

The aim of the paper come from the absence of methodologies and tools for the management and the sustainable development of real property owned of various religious institutions (church, rectory, convent etc.). There is need to provide tools to determine the technical, legal and economic limits for management of church property. Special emphasis is placed on the specifics of the issue with the fact that this is not a common owner or investor, but to link the two worlds, the secular and the spiritual. It will also take into account the fact that the property generally is not an ordinary real estate, but in many cases also cultural heritage. This fact requires a special approach to the valuation of assets, and in its management and investment planning. It involves following steps:

- Guide for administration of church real estate managed by basic processes of sustainable administration.
- Valuation of church real estate including abandoned monuments and small monuments in landscape.
- Legal limits of administration of church property regarding The Canon Law, church tradition and historical customs.
- Strategies for management of church property in the past and present. (Case studies)
- Sustainable management of church real estate with historical value, facility management.
- Presentation of church monuments highlighting their specific cultural, aesthetic and social value.

**Keywords:** management, church property, valuation

### **1 Introduction**

Problem of the sustainable development and administration of the church property has not been systematically discussed in Czech Republic so far. There are some partial achievements in research concerning economics of the church as non-profit organization and some case studies of the church management in the past but these do not compare and apply results in contemporary context.

Problems of valuation of the church real estate are not solved. There are only general methods for valuation – comparative approach, yield approach and cost approach [6]. The yield and comparative approach are applicable to the valuation of land without problems. If we want to evaluate buildings, there are problems with using the comparative method. The main problem is to find samples for comparison (church, rectory, convent etc. are not

commonly sold). Another problem is the unavailability of data for estimating of usual rent (rent in case of church buildings) for the application of the yield. The cost method is applicable without major complications. The principle of the method is to calculate the cost of building construction and to reduce the wear of on the structures. The assessment should include other aspects – the specific decoration objects, aesthetics, preservation of cultural heritage, etc. Valuation of the cultural heritage monument is very difficult. Church buildings and real estate have documentary (evidence of the creator, time, events) cultural (architecture, ideological pattern), historical and social value. These values are difficult to express in numbers.

## **2 Strategies for management of church property in the past and present**

Recently there are many different strategies of management of church property. There is absence of cohesive approach. This leads towards decreasing its effectiveness and low social acceptance. There is a need of knowledge of the problem from wider historical perspective – knowing the past and the present situation. Traditional historical strategies need to be taken into consideration as well as contemporary ones set abroad.

## **3 Guide for administration of church real estate managed by basic processes of sustainable administration.**

There is also an absence of simple guidelines of basic actions of property management for owners and administrators of the church property as:

- a) Searching for historical documents for documentation of property relation
- b) Analysis of present situation – diagnosis, documentation of buildings and equipment.
- c) Investment plan, feasibility study
- d) Tenders for asset managers, property passport supplier, design documentation supplier, technical supervision of the investor, the building contractor, contractor of remediation, restorer, suppliers of services, etc.
- e) Valuation of church property
- f) Legislation related to property management
- g) Lease contract
- h) Cash-flow
- i) Facility management
- j) Marketing.

## **4 Sustainable management of monuments and facility management.**

Church is the owner of many important cultural heritage monuments. These monuments are often much neglected. They need higher investments for their renovation on one side. On the other side their value is mostly other than economic, owner could not expect the return on investment. There is need of methodology of sustainable facility management that should include cultural-historical value and usable strategies to meet the social pressure to maintain.

#### **4.1 Valuation of church real estate including abandoned monuments and small monuments in landscape.**

The first task when considering any further steps to manage its real estate valuation are knowledge of the wear value, the costs of different types of reconstruction and rehabilitation and the building after reconstruction.

Investigators with the help of specialists in the valuation and conservation gather various approaches to valuation and carry out their analysis. The next stage will prepare methodical material defining methodological comparison of individual values (wear, revivals, version as a new work) in the form of comparative analysis, taking into account cultural, historical and social aspects of the requirements for the preservation of values. Set of methods and approaches to valuation, and investigating non-utility values, sets clear and transparent criteria, with an emphasis on the applicability of the initial decisions about the future of real estate.

#### **4.2 Legal limits of administration of church property regarding The Canon Law, church tradition and historical customs.**

Good property management, especially management of church cultural heritage monuments, requires knowledge of legal limits of its use. In this case we deal not only with contemporary legislation but also with The Canon law, church tradition and historical customs. All these need to be taken into consideration if clear conditions for economic activities should be established.

#### **4.3 Presentation of church monuments highlighting their specific cultural, aesthetic and social value.**

Last thing is absence of guidelines for presentation and marketing of church monuments. Two worlds sacred and profane have to be connected. Particularities of the church property have to be taken into consideration, their specific limits for use and risks of marketing. Cooperation between church and regional authorities should be established as the monuments could be part of the tourism and regional development.

## **5 Conclusions**

Church property is very specific in many ways. Its sustainable facility management requires special approach and knowledge of technical, economic and legal conditions. Clear guidelines for administrators and stewards would help protect its cultural, social and spiritual values and also would set up framework for coherent conception of management and preservation. Learning from the past and using the good examples from the present would help. It is also great challenge to find the way of correct valuation of the property that has not only economical but also social and cultural value that are forced to be protected by society and government. This value then should be presented to the public in dignified but attractive way so profane could meet sacred.

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