

Ground Lease Guidance for Churches

A resource for congregations exploring development partnerships

Many churches today hold valuable land, parking lots, extra acreage, or underused buildings that can be activated to serve the community while strengthening the church's long-term financial stability. A ground lease allows the church to retain ownership while partnering with a developer who builds and operates a project such as affordable housing or community facilities.

What is a Ground Lease?

A ground lease is a long-term agreement (typically 50–99 years) in which a church leases its land to a developer. The church remains the landowner, and the land and building revert to the church at lease end.

Benefits to the Church

- Ownership Retention
- Long-Term Revenue
- Reduced Risk
- Mission Stewardship
- Property Value Growth

Key Financial Terms to Negotiate

- Lease Payment Terms
- Lease Duration
- Reversion of Improvements
- Use Restrictions
- Developer Financial Obligations
- Guarantees & Default Remedies
- Assignment & Transfer

Internal Church Considerations

- Assess Congregational Alignment
- Clarify Mission Goals
- Inventory Church Assets
- Engage Professional Advisors

Process Overview for Churches

- Define goals and mission outcomes
- Conduct feasibility studies
- Select a qualified developer
- Negotiate terms
- Engage the congregation
- Monitor long-term compliance

Tips for Successful Partnerships

- Choose an experienced developer
- Prioritize communication
- Request sample leases
- Build periodic check-ins
- Protect the church even if property transfers

Conclusion

Ground leases help churches activate land, strengthen finances, and expand community impact while preserving long-term legacy. With careful planning, they create win-win partnerships.