



 RISK BULLETIN

## Renting Your Space: A Practical Risk Management Guide

Learn how to safely rent your space by assessing event risks, creating strong rental agreements, and requiring appropriate insurance. You will also understand your ongoing responsibilities as a property owner, along with key operational practices, policies, and safeguards needed to protect your organization, people, and property.



Opening your space to third-party rentals can play a meaningful role in your organization's operations—whether as a source of revenue, a way to strengthen community relationships, or both. Your space is a valuable asset, and making it available to others creates new opportunities while also introducing new risks.

Whether you are a school renting your gym to a sports team or a church offering your hall to community groups, it is important to understand these risks and take appropriate steps to manage them effectively.



## Assessing the Rental Request

Before agreeing to a third-party rental, conduct a thorough assessment of the proposed event to determine whether it aligns with your operations, risk tolerance, and the physical limitations of your space.

**This assessment should include the following considerations:**



### Event type and activities

Consider the nature of the event and the activities involved. Some activities present greater exposure and require additional controls. For example, a community sports league may introduce physical injury risks, while a social event may involve crowd management or alcohol-related exposures.



### Expected attendance

Assess the anticipated number of participants and spectators. Higher attendance may require additional planning related to safety, supervision, and logistics.



### Type of participants

Consider who will be attending the event. Children, youth, seniors, vulnerable individuals, and members of the general public each have different supervision, accessibility, and safety considerations.

**Taking the time to review these factors helps ensure the rental is an appropriate fit for both your organization and your facility.**

## Rental Agreement



### Parties

Include the full legal names and contact information of both your organization and the renter.



### Premises

Clearly describe the areas included in the rental and identify any areas that are excluded.



### Dates and duration

Specify the date and time of the event, including setup and teardown periods, as well as event start and end times. For recurring or multi-day events, include a detailed schedule.



### Nature of use

Clearly outline the purpose of the rental and identify any permitted or restricted uses of the space.



### Excluded activities

List any activities that are not permitted, such as open flames, pyrotechnics, or water-related activities.



### Rental fee

Specify the rental cost, payment schedule, and accepted payment methods.



### Food service and kitchen use

If food will be served or kitchen facilities will be used, specify which areas and equipment may be accessed, required food safety practices, and cleanup responsibilities. Require caterers or food vendors to comply with applicable health regulations and carry their own insurance.



### Alcohol use policy

Clearly state whether alcohol is permitted. If permitted, require the renter to obtain all necessary permits and ensure that all servers hold appropriate certification. If alcohol is being served by a third-party vendor, confirm that the vendor is properly licensed and carries its own insurance.



### Premises condition

Inspect the premises prior to the event to document its condition and establish expectations for its return. Any damage or additional cleaning required to restore the space should be the renter's responsibility.



### Security

If security personnel are required, clarify whether the renter is responsible for arranging security or paying for your organization's security services.



### Safety supervision

Specify whether the renter must provide responsible supervisors or event organizers to oversee activities and ensure compliance with safety rules.



### Occupancy limits

Ensure the renter understands and complies with the building's maximum occupancy limits at all times.



### Emergency procedures

Provide emergency contact information, evacuation routes, and relevant safety procedures.



### Incident reporting

Require the prompt reporting of any incidents, including injuries, property damage, or near misses. An incident report form should capture names, contact information, dates, times, locations, circumstances, and actions taken.



### Responsibility for property loss or damage

Clearly state that the renter is responsible for any loss or damage caused by its organization, contractors, or guests during the rental period.

## Liability Insurance Requirements

When renting your space to a third party, it is critical that the renter carries its own liability insurance. This ensures that the renter's insurance responds to claims arising from its activities and helps protect your organization from unnecessary exposure.

Require a Certificate of Insurance (COI) before confirming any rental. The COI confirms that the renter has liability coverage in place. Your organization should be named as an Additional Insured so that the renter's policy will respond if a claim is brought against your organization as a result of the renter's activities. Where appropriate, request a waiver of subrogation to prevent the renter's insurer from seeking recovery against your organization after paying a claim.

Establish minimum required liability limits based on the nature and risk level of the event, in consultation with your insurer or broker. Liability limits in the range of \$2–5 million are common, though higher limits may be appropriate for larger or higher-risk events.

Your organization should be named as an Additional Insured on the renter's policy.

## Owner and Occupier Responsibilities

Even when a renter carries appropriate insurance, your organization retains responsibilities as the property owner or occupier. You have a legal duty to take reasonable steps to keep the premises safe. If an injury, loss, or damage occurs due to unsafe conditions that you failed to address, your organization may still be held liable.

For this reason, facilities should be well maintained, regularly inspected, and free from foreseeable hazards prior to any third-party use.



## Other Operational Considerations



### Rentals during operating hours

When rentals occur during normal operating hours, consider restricting access to areas outside the rented space. Assess whether rental participants may interact with clients, students, or vulnerable individuals, and ensure safeguarding policies and procedures are followed.



### Rentals outside operating hours

Rentals outside normal hours require clear access and security protocols. Determine whether staff will be onsite to provide access and secure the building afterward, or whether temporary access credentials will be issued.



### Observing rentals

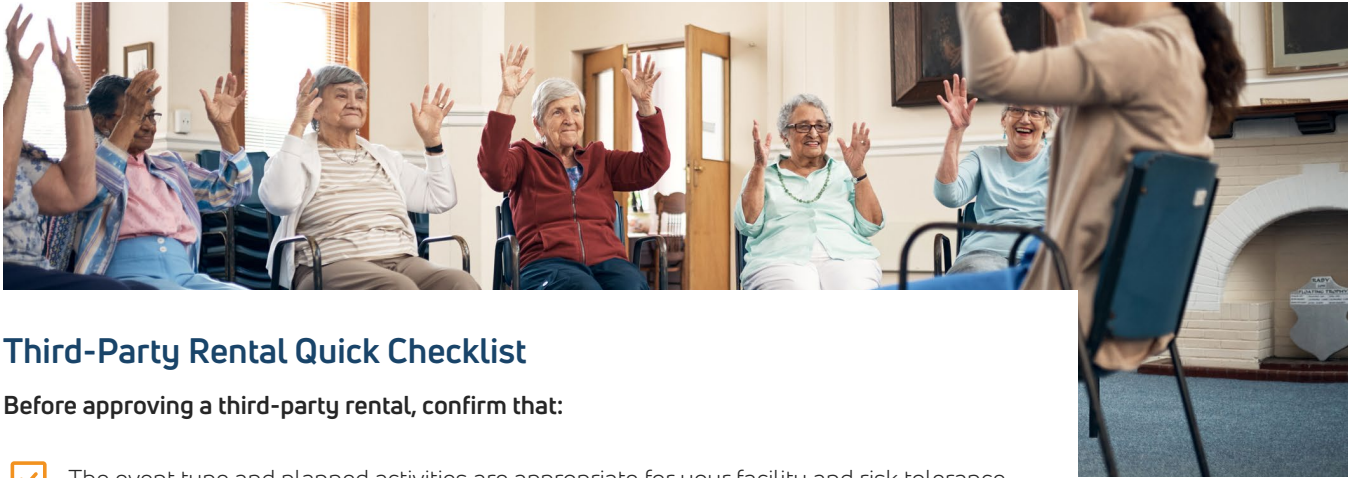
Periodically observe rental activities to confirm compliance with rental agreements and organizational policies.



## Internal Policies and Documentation

Developing an internal third-party rental policy promotes consistency and risk awareness. This policy may outline permitted activities, insurance requirements, preparation checklists, and include a standard rental agreement template.

Maintain organized records of rental agreements, certificates of insurance, inspections, permits, and incident reports, while ensuring compliance with applicable privacy legislation.



## Third-Party Rental Quick Checklist

Before approving a third-party rental, confirm that:

- The event type and planned activities are appropriate for your facility and risk tolerance
- Expected attendance complies with building occupancy limits
- A written rental agreement outlining responsibilities and permitted use has been signed
- A valid Certificate of Insurance has been received prior to the event
- Your organization is listed as an Additional Insured on the renter's policy
- Emergency procedures and incident reporting expectations have been communicated

## In Summary

Preparing for third-party rentals is essential for protecting your organization, people, and property. By assessing proposed activities, establishing clear expectations through a well-designed rental agreement, and ensuring appropriate insurance and liability protections, you create a foundation for the safe and successful use of your facilities. Doing so not only reduces associated risks but also allows you to confidently open your space in ways that support both your organization and the community.

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