

Press Release 2023



IS THE PROPERTY ASSET VALUATION IN YOUR ACCOUNTS SUFFICIENTLY UP TO DATE?

Whether an investment property or owner occupied business property, values of property interests are reported in company accounts and this can produce some challenges. Revaluation exercises should be made with sufficient regularity to report a fair value. Given that the commercial property markets have moved quite significantly over the last few years and indeed some sectors such as industrial and distribution have seen significant rises, many property valuations in financial statements are potentially at historic figures and it is worth renewing these on a periodic basis.

FRS102 provides the appropriate definitions and standards, with Section 16 being applicable to investment property and Section 17 to owner occupier property. Such revaluations are best undertaken by qualified chartered surveyors familiar with the type and locality of the property, with the valuations being undertaken in accordance with the RICS Valuation – Global Standards, commonly referred to as the Red Book.

Tim Richardson from FHP Property Consultants comments;

“We have been undertaking a number of valuations recently for financial accounts purposes as companies update their valuations, some of which have been shown to be at historically low figures. Up to date valuations may also be needed for a number of other reasons such as company sales or transfer of ownership, capital gains tax and pension fund valuations. Due to the significant increases in build costs over recent years, it is also prudent to make sure that your buildings insurance reinstatement cost valuation is up to date, otherwise in the hopefully unlikely event that a claim is made, the insurers may not pay out the full amount.”

For further information please contact Tim Richardson at FHP Property Consultants on 01332 317 277 or email timr@fhp.co.uk.

ENDS

Tim Richardson
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