

Governance

Property Valuation Committee Report

Property Valuation Committee



The Property Valuation Committee is chaired by Roger Lewis

Terms of reference

The Committee shall review the quarterly valuation reports produced by the independent valuers before their submission to the Board, looking in particular at:

- Significant adjustments from previous quarters;
- Individual property valuations;
- Commentary from management;
- Significant issues that should be raised with management;
- Material and unexplained movements in the Company’s net asset value;

- Compliance with applicable standards and guidelines;
- Reviewing findings or recommendations of the valuers; and
- The appointment, remuneration and removal of the Company’s valuers, making such recommendations to the Board as appropriate.

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The Property Valuation Committee is chaired by Roger Lewis. The other members of the Committee are Nicholas Thompson, Mark Batten and Maria Bentley.

Activity

The Property Valuation Committee met four times during the year ended 31 March 2020 and considered the following matters:

- Property market conditions and trends;
- Movements compared to previous quarters;
- Yields on properties within the portfolio;
- Letting activity and vacant properties;
- Covenant strength and lease lengths;
- Estimated rental values; and
- Comparable market evidence.

The Committee was satisfied with the valuation process throughout the year.

Material uncertainty

The Committee noted that the external valuer had included a ‘material valuation uncertainty’ statement in their report as at 31 March 2020. This was the result of the impact of the Covid-19 pandemic on market activity as the valuers had an unprecedented set of circumstances on which to base their judgement. In line with market practice therefore, the valuers have stated that less certainty can be attached to the valuations than would otherwise have been the case.

External valuer

CBRE Limited was appointed as the external valuer to the Group, effective from 31 March 2013, and carries out a valuation of the Group’s property assets each quarter, the results of which are incorporated into the Group’s half-year and annual financial statements, and the quarterly net asset statements.

The Committee reviewed the performance of the valuer and recommended that the appointment be continued for a further 12 months.

Roger Lewis

Chair of the Property Valuation Committee

22 June 2020