The Valuation Process

The process for establishing the value of an asset portfolio is both subjective and complex. The valuation for the preceding quarter starts on the first day of the new quarter and takes several weeks to finalise. An indicative timescale is shown below.

Week One of new quarter	Valuation team meet to discuss market conditions at the end of the preceding quarter, taking account of numerous contributing factors including, but not limited to • Sales and purchases in the quarter • Economic conditions • Interest rates • Potential buyers and sellers active in the market This work will be undertaken for each asset class (e.g. offices, life sciences, warehouses etc.) and any associated sub-asset classes (for warehouses, logistics, manufacturing and data centres are examples
Week Two	Valuation team agree core principles to apply to individual portfolios. Initial valuations applied.
Week Three	Valuer discusses with UDC Asset Team any individual circumstances in the quarter being valued, that affect the core values, such as • Additional payments made to developers in the quarter (Moog) • Stage of final lease signing (Moog) • Rent increases • Rent defaults These are then entered into the valuation model and initial values for the quarter established. Prior to submission to UDC Asset Team there is a process of internal validation checks to make sure consistency across the valuation spectrum
Week Four	Draft valuations sent to UDC Asset Team, along with supporting evidence for sense checking. Discussion held with valuer to confirm acceptance of the draft figures or to challenge assumptions
Week Five	Final valuations issued

The above is the process for the UDC owned assets, for CRP the valuations go to the Park Board for final approval before they are issued.