



MONTAGU EVANS ADVISES IN... PROPERTY VALUATION - HEALTHCARE PLANNING AHEAD TO THE NEXT ASSET REVALUATION

KEY FACTS...

**CURRENTLY VALUE
5,000+ HEALTHCARE
ASSETS THROUGHOUT
THE UK**

**VALUED OVER £10 BILLION
OF HEALTHCARE ASSETS
OVER THE LAST
2 YEARS**

**LIAISING WITH 20
HEALTHCARE CLIENTS ON
THE ADOPTION OF IFRS16**

**INDIVIDUAL VALUATION
MODEL FOR EACH CLIENT
PROVIDING TAILORED
VALUATION APPROACHES
SPECIALISING IN DRCs**

**ZERO
AUDIT CHALLENGES**

**REGISTERED INDEPENDENT
VALUERS TO PROVIDE
SPECIALIST VALUATION ADVICE
TO AUDITORS TO ASSIST WITH
THE AUDIT PROCESS**

WE OFFER...



WHY IS THIS IMPORTANT?

YOUR HEALTHCARE PORTFOLIO IS VALUED EVERY YEAR FOR FINANCIAL REPORTING PURPOSES. THE VALUATIONS PRODUCED ARE TYPICALLY RELIED UPON TO INFORM THE PDC CHARGE PAYABLE FOR THE COMING YEAR. THROUGH OUR EXPERIENCE WE HAVE FOUND ASSET VALUATIONS TO BE UP TO 49% OVERSTATED THROUGH POOR INTERPRETATION OF RELEVANT GUIDANCE AND CONSERVATIVE APPLICATION OF MEA PRINCIPLES. THIS HAS A DIRECT IMPACT ON YOUR PDC CHARGE. WE WILL WORK PROACTIVELY WITH YOU TO ENSURE THAT YOUR ASSET VALUATION IS ROBUST TO PASS AUDIT SCRUTINY AND ACCURATE TO DELIVER A RELIABLE BASIS TO MANAGE YOUR TRUST'S RELATED FINANCIAL COSTS AND INFORM ANY CAPITAL EXPENDITURE PROGRAMME.

LEADING IN THE PROCESS BEHIND THE CURRENT GUIDANCE ISSUED BY THE RICS...

Gary Howes, Head of the Montagu Evans Valuation team sits on the RICS Depreciated Replacement Cost steering group. He was integral to the most recent update to the RICS Guidance note and ensuring its standards are upheld.

Chris Ramsden, Partner within Montagu Evans Valuation team sits on the RICS IFRS16 working group and is currently working proactively to issue the first RICS Guidance Note on this matter.

We are at the forefront of these discussions working alongside the RICS to ensure best practice is upheld.

HELPING TO DELIVER...



NHS PROPERTY SERVICES

The Healthcare valuation team successfully re-tendered a further 5 year valuation contract covering the entire NHS PS estate. The contract covers both asset valuations and Market Value assessments for assets held for sale. During the current contract we have worked to produce a tailored land value matrix to encompass the range of property types, uses and geographical reach and are currently working with NHS PS to define their valuation policy for IFRS16.

This complements work undertaken during the original valuation contract where we undertook extensive property inspections and data cleansing for 2,500+ assets and were instrumental in supporting the drafting and adoption of NHS PS's valuation policies and strategy. We also developed a valuation methodology, agreed with their auditors (the NAO) to properly reflect the diverse nature and use of their portfolio. This included the creation of a componentisation policy and an agreed approach to assessing finance leases.

Overall, our valuation team working closely with NHS PS has delivered a robust model that provides a solid foundation to the predominant property provider in the public healthcare sector.



OXLEAS NHS FOUNDATION TRUST

The Healthcare Valuation team has valued the Trust's assets for a number of years. In 2013/2014 South London Healthcare NHS Trust was put into administration and Oxleas acquired its interests in St Mary's Hospital in Sidcup where Oxleas occupied one building. The remainder of the hospital was a non-acute facility and part vacant.

Montagu Evans worked with Oxleas and their auditor to agree a valuation methodology incorporating a strict interpretation of the MEA assumption to successfully establish a much reduced asset value, that fairly reflected the operational capability on transfer into the Trust's accounts, as well as modelling the impact of the Hospital on the Trust's accounts over several years as a reconfiguration and refurbishment programme was effected. We continue to provide asset valuation advice year on year, developing and refining the valuation approach and methodology applied to correctly align the annual valuation with the status of the estate, whilst also supporting the implementation of Oxleas' evolving estate strategy.



ROYAL BROMPTON & HAREFIELD NHS FOUNDATION TRUST

The Healthcare valuation team has valued the Trust's property assets for a number of years. The Trust's estate is focused on 2 principle sites, one in central London and the second in the Metropolitan Green Belt. The make-up of the portfolio also shows a mix of asset types with about 50% being specialised assets, 10% non-specialised operational assets and 40% investment properties. Over the years, as a result of our innovative and precise valuation techniques, we have reduced an excessive asset valuation to align with best practice guidelines and principles to provide a sound basis for financial prudence.



GARY HOWES

IS A PARTNER, HEAD OF VALUATION CONSULTANCY

T 020 7312 7476
M 07818 012 476
E gary.howes@montagu-evans.co.uk



CHRIS RAMSDEN

IS A PARTNER SPECIALISING IN VALUATION AND IFRS16

T 020 7866 7605
M 07813 651 125
E chris.ramsden@montagu-evans.co.uk



ELLIE COOK

IS A PARTNER SPECIALISING IN VALUATION

T 020 7312 7542
M 07818 012 534
E eleanor.cook@montagu-evans.co.uk



GRAHAM COPELAND

IS A PARTNER AND ACCOUNTANT SPECIALISING IN PFIs AND IFRS16

T 020 7312 7462
M 07818 012 462
E graham.copeland@montagu-evans.co.uk



ALISTER STEWART

IS A SENIOR SURVEYOR SPECIALISING IN VALUATION

T 020 7866 8698
M 07899 833 284
E alister.stewart@montagu-evans.co.uk



CHRIS SOAR

IS A SENIOR SURVEYOR SPECIALISING IN VALUATION

T 020 7312 7473
M 07818 012 473
E chris.soar@montagu-evans.co.uk



KATIE SEABOURNE

IS A SENIOR SURVEYOR SPECIALISING IN VALUATION

T 020 7866 7623
M 07818 012 515
E katie.seabourne@montagu-evans.co.uk



HANNAH WILLIAMS

IS A SENIOR SURVEYOR SPECIALISING IN VALUATION

T 020 7866 7615
M 07387 238 000
E hannah.williams@montagu-evans.co.uk

TALK TO ONE OF THE TEAM.