

Statement of Valuation – General Fund Financial Year 01/04/2010 – 31/03/2011

The Council has instructed me as it's Valuer, to value all its Assets. In accordance with this instruction, the assets have been valued on the basis detailed below.

1. The Date of Valuation was 01 April 2010.
2. The Valuations undertaken were in accordance with the requirements of the Royal Institution of Chartered Surveyors Valuation Standards, sixth edition incorporating UKPS 1.12 and the SORP guidance and the CIPFA IFRS based Code of Practice on Local Authority Accounting (the Code).
3. Inspections: In order to ensure sufficient valuations were completed in accordance with the required regulations, in excess of 20% of the portfolio has been inspected and re-valued. Further work is carried out on an annual rolling programme. Provision is also made for the valuations of new assets and those subject to significant changes to be carried out during the current year.
4. Investment Properties: Under the IFRS regulations, Investment properties are required to be revalued every year. TDC has 230 investment properties and with current resources it is not possible to undertake this volume of valuations. Policy was adopted within the year in whereby the annual revaluation of Investment properties will only apply to those properties with a Gross book value in excess of £100,000, or where changes to the property or rental have occurred during the year.
5. It was assumed that, as the Council has a Policy of Maintenance of its Assets, and uses Fully Repairing and Insuring Leases for its investment property, that all the premises were deemed to be in a reasonable state of repair unless stated otherwise. The calculation of useful life and obsolescence for Operational assets does however reflect their age and underlying condition.
6. A initial review has been undertaken of the apportionment between land and buildings which has resulted in higher land apportionments in respect of several assets. These apportionments are derived solely for accounting purposes and the figures do not represent formal valuations of the individual elements.
7. The Council have undertaken a programme of Capital works on its Assets, therefore Capital Cost has been added to the historic cost. This exercise is for Accountancy purposes only and the resulting figures does not constitute a formal Valuation.
8. General Fund: Commercial premises. The premises were valued on the basis of:
 - Fair Value (Market Value) or Existing Use Value derived from market evidence,
 - Profits method for operational car parks
 - Depreciated Replacement Cost (DRC) where no market evidence existed. The DRC method approach depends upon a continuing requirement to use

the asset for the provision of the service in question. The DRC Valuations cannot be relied upon as an indication of the amount that could be recovered if the service was discontinued and the asset retired. (RICS Red Book PS5.5.1)

- Valuation methods were reviewed to determine the methods adopted were appropriate to the asset being valued.
9. Specialist Valuers were employed to undertake the valuations of the following assets requiring specialist knowledge:
- Ramsgate Port and Royal Harbour Ramsgate
 - North Foreland Golf Club, Kingsgate Broadstairs
10. General commentary
- a) Market Conditions: During the financial year there has still been market uncertainty resulting from the continuing global recession, resulting in few sales/comparable evidence in the Thanet area.
- b) The disposal programme has been reviewed and surplus assets may be retained until the market shows signs of further improvement.
- c) Impairments during the year: The ex-Marks and Spencers property was impaired during the year, which is explained below.
11. Impairment: Marks and Spencers (Reference 482/1-1) the valuation of the property to TDC was impaired from £450,000 to £nil to reflect that under the joint venture agreement with SEEDA, SEEDA received rent and capital receipts from the property and not TDC. In addition, a desktop review of the Property Asset Register was undertaken during the financial year, which confirmed that any other minor impairments suffered were de minimis.
12. Downward Valuations: Market Conditions as described in 10a above accounted for other downward valuations.
- a. Eurokent had been treated as a single asset in the past, but now that construction of the industrial/office development has been completed and is now being marketed it was considered appropriate to split it into 25 individual assets.
- b. Ramsgate Harbour. Following this year's revaluation, this asset has also been separated out into individual assets as opposed to be shown on the Asset Register as a single asset.
13. The former Pleasurama site in Ramsgate (237/1-2) is still reported as the Development Agreement remains active and work has commenced on site. An initial receipt has been received and further receipts from the development will be received in stages as the development is completed and sales have been achieved, which has been reflected within the valuation.
14. The Council has acquired the following assets to the Housing Revenue Account
- A) The Embassy Hotel, 50 Surrey Road, Margate - Auction purchase of a vacant House of Multiple Occupation (HMO) with the intention to redevelop it into

2 residential units, thereby reducing the number of single rooms available in Margate.

B) The Council has acquired the following assets to the General Fund account:

The Fort Hotel, Margate (compulsory acquisition) derelict property acquired for the purposes of regeneration and improvement of the area surrounding Turner Contemporary

15. The aggregate figure, given below, has been achieved by individual valuations of the portfolio and the separate valuations are available.
16. Neither the whole nor any part of the Valuation Certificate nor any reference thereto may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.

I certify that the Valuations of the Council's General Fund property assets, as at the 1st April 2010, are as follows:

General Fund Property Assets Total	£ 65,232,245.93
Impairments stated at 8b) and 8c) in the Statement Occurring during the financial year	£ 450,000
Housing Revenue Account – Garages	£ 1,187,500.00
Housing Revenue Account – Commercial Property (Retail)	£ 1,025,046.00

J. STEERE, BSc (Hons) MRICS,

Chartered Surveyor

Dated

27/7/2011

Statement of Valuation – Housing Revenue Account Financial year 01/04/2010 – 31/03/2011

The Council has instructed me as it's Valuer, to value all its Assets. In accordance with this instruction, the Housing Revenue assets have been valued on the basis detailed below.

HRA Housing Stock Valuation is based on Existing Use value for Social Housing which should be noted is a departure from the IFRS, but this departure is in accordance with current CIPFA and Treasury guidance.

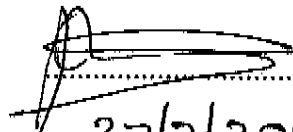
1. The date of Valuation is 31 March 2011.
2. The valuations undertaken were in accordance with the requirements of the Royal Institution of Chartered Surveyors Valuation Standards, sixth edition and the Department of Communities and Local Government (DCLG) Guidance on Stock Valuation for Resource Accounting 2010 (dated January 2011).
3. Housing Revenue Account: Valuations of Housing Stock were carried out by the District Valuer Services on the instructions of the Authority which updated beacon valuations and provided market valuations as at 31 March 2011. These figures have been reviewed and updated to adjust for :
 - * residential disposals during the year - 7 in the current year under the right to buy scheme
 - * 5 new build houses completed during the year.
 - * transfer of 26 properties at the Centre, Ramsgate
 - * properties extended by the Council against the beacon system
4. Market Conditions: From the Autumn 2008, as a result of the global recession, there had been a general deterioration in market conditions which had only started to abate from the Autumn /winter quarter 2009. Market activity is still reduced and a paucity of market transactions have taken place in the Thanet area.
5. DCLG have revised the Vacant Possession Adjustment Factor for Social Housing for the year from 45% to 32%, which has had the effect of reducing the value of the stock by 13%.
6. Neither the whole nor any part of the Valuation Certificate nor any reference thereto may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.

I certify that the Valuation of the Housing Revenue Account as at the 31st March 2011, is as follows:

Housing Revenue Account – Dwellings

£84,668,600

J. STEERE, BSc (Hons) MRICS,
Estates Surveyor.
Dated


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27/7/2011
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