

Value determination using the asset / fair value method IFRS

Fair Value of Real Estate – Valuation by IFRS

The growth of operational real estate as performing asset has led to increased weight being placed on the appropriate valuation of these important assets. Against the background of the economic measurement of all assets, the fair value concept of real estate is gaining in importance. Throughout the implementation of IFRS (International Financial Reporting Standards) Wüest & Partner has been active undertaking the valuation of many large, diverse portfolios for its clients. Thanks to our efficient tools and processes, our customers not only benefit from low relative costs but also from additional strategic information essential for the management of their real estate.

With ever more companies reconsidering their financial accounting practises the norms as laid out under IFRS are fast becoming the standards of the future. In this context Wüest & Partner has developed tools that can be used to efficiently and reliably value properties using the fair value method. For operational real estate this value consists of the value of the physical structure of the property and the value of the land. The fair value method uses of the economic life of the main components of the assets to determine the property's value.

The valuation is carried out in a database. This not only ensures homogeneous valuation results, but also allows the principal valuation assumptions or depreciation models to be easily varied. Above all, the efficient processing of large amounts of data also permits both comprehensive analysis and conclusions to be provided with the aim of maintaining the value of the portfolio properties. Wüest & Partner's specialists will be happy to present the methods and results.

**Asset Value =
Fair value of the buildings
plus the value of the land**

**Standardised valuation process for
consistent results**

Background

Regarding the change of corporate organisations to IFRS raises many questions regarding the revaluation of real estate. Those responsible are still uncertain about the overall benefit, validity and time and effort required for a reinstatement of the values.

Wüest & Partner offers its clients practical experience and proven tools for efficient valuation of both large and heterogeneous real estate portfolios. Based around the statutory framework, the available data as well as the existing technical and human resources Wüest & Partner is offers efficient valuation according inline with IFRS standards and norms.

Objectives

The standard definitions permit considerable flexibility, depending on available documentation and result requirements. The first step is therefore the definition, together with the finance and construction experts from the property management, of the specific prerequisites and requirements for the IFRS valuation. Wüest & Partner targets the efficient and informative valuation for the individual client combined with the highest possible added value for the portfolio management.

Approach and Services

The Wüest & Partner specialists are available as competent partners from the first non-binding analyses and discussions of different valuation methods right through to the actual valuation. The chances for an informative valuation are determined by taking into account the actual circumstances, such as the availability of documentation and resources, and where necessary possible improvements are proposed. The actual valuation is completed by undertaking standardised calculations supported by extensive database information. The process depth can be simplified depending on the importance of individual properties of the process..

Results

The results of the Wüest & Partner valuation provide not only the values for asset accounting, but also the necessary depreciation data, the value development for all properties over the next few years as well much more information. In addition, analysis can be provided about the condition of the building and its individual components or the maintenance requirements. Depending on the project direction further economic parameters or cost optimisation information can be provided.

Wüest & Partner the Company

Wüest & Partner is a consultancy firm, which focuses upon the property and the construction sectors, urban development and locational trends. Our over 70-strong interdisciplinary team advises institutional real estate owners, banks and insurers, construction and real estate companies, public authorities and private clients.

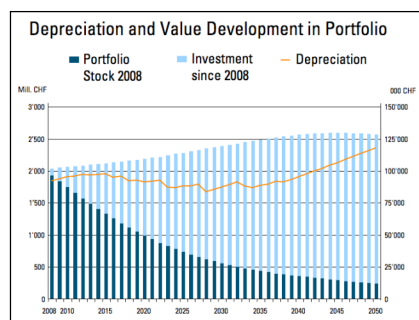
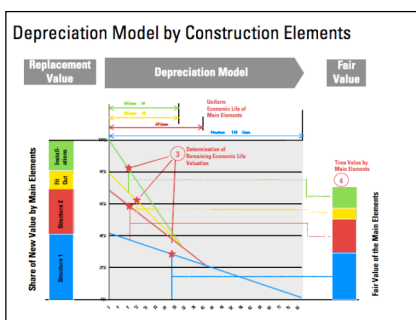
Consulting for Operational Real Estate

Wüest & Partner is an experienced partner in all matters concerning corporate and operative real estate. We have successfully advised a large number of public and private organisations in a wide range of projects ranging from situation analysis, property valuation and strategic planning to portfolio management and property development.

Further Information

For further information feel free to contact the partners detailed below. Further information about Wüest & Partner and our consultancy services for corporate and operational real estate can be found under the following links:

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