

Physical Assets Valuation Reports

Physical Assets' Valuation is the act of determining an opinion of the Market Value of an interest in a physical Asset. A valuer assesses the value of plant, machines, land, buildings, improvements and other factors that influence the current or past value of a property; the process generally involves inspection of the property. Valuers are objective with no vested interest in the Assets they value. A valuation report is a professional and legal assessment of the value of the Assets prepared for different purposes such as: Market Value, Insurance Value, Forced Sale Value, Fair Value, etc.

Physical assets could be any of the following:

- Plant & machinery
- Furniture
- Fixture & Fittings
- Chattels (movable properties)
- Residential buildings
- Commercial buildings
- Industrial buildings
- Undeveloped properties

Valuation Reports:

At Tunji Ologbon Partnership, (TOP) our team of experts delivers professional, timely and accurate assets valuations. In order to deliver the best of services, we follow up our valuation report with advice which is an essential part of our services.

Importance of obtaining an independent valuation:

Property is one of the best investments. However, with an ever-changing market; it is wise to know the value of your property from an Independent Valuer prior to taking major decision on a property.

Our firm can provide an objective opinion of current market value. This will:

1. Ensure you get the right value for your assets if you are selling or purchasing at a favorable price when you are buying.
2. Help you get advice on a future or immediate plan necessary for your assets.
3. Help you to decide out of various available options.
 - Renovate/remodel the property to earn more income instead of selling.
 - Whether change of use will improve viability of the property rather than selling it.

How do I book for a Valuation with Tunji Ologbon Partnership?

This is possible by calling any of these lines: 081996166, 08033061941, 07068019631 or 08023267180; alternatively, by sending a request mail for valuation to valuation@top-ng.com or info@top-ng.com

Deliverables on Valuation Briefs

1. Colour pictures of the front external view of the property and other snaps of parts that need to be included.
2. Bound reports describing the property externally from the roof to foundation and internal conditions, title, land size, neighborhood, etc.
3. In some of the cases, fitting, fixtures, machineries, vehicles, other physical assets as instructed by the addressee, will be included.

In accordance with the standard set by IVSC, when you give a brief for a valuation exercise to be carried out, a qualified and registered valuer will inspect the property you asked to be valued. From details obtained during the inspection, the Valuer will prepare a report on the property advising you on the value. In most cases, the report is followed up with advice on

market activities in the neighborhood and the economy generally as it affects the subject property.

Our valuation reports contain:

- a. Valuation Certificate
- b. The main body of the report in typed text, including the following details:
 - Description of subject of valuation, title, etc.
 - Location sketch
 - Development layout of the property
 - Floor plan of the property if required.
 - External front picture of the property
 - Statement of Valuation Purposes, Processes and Opinion
- c. Fixture, fitting, machinery, plant, etc. inventories are included most especially for industrial and commercial properties.

Purposes of Valuation:

Valuation report may be required for any of the following purposes:

Market Value:

According to International Valuation councils “Market Value is the estimated amount for which an asset should exchange on the valuation date. Between a ready buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Special Value: This is an amount that reflects particular attributes of an asset that are only of value to a particular purchaser.

Forced Sale Value: To determine worth, if there is a need to sell under pressure, this is usually required by lenders.

Synergistic Value:

Synergistic value is an additional element of value created by the combination of more than one assets or interests where the combined value is more than the addition of the separate values. If the synergies are only available to one specific buyer, then it is an example of special value.

Insurance Value: To determine the amount the property should be insured. This will ensure appropriate coverage in the event of loss resulting from any calamity.

Fair Value:

This is the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interest of those parties fair value is distinguished from market value in the sense that fair value requires the assessment of the price between two known/identified parties having in view the advantages or otherwise that each will gain from the transaction. On the other hand, market value is based on the fact that no advantage would be available to market participants.

It then follows that fair value is a broader concept compared to market value though in most cases, a fair value will be equal to that obtained in the market.

What are the different reasons for obtaining a valuation Report?

- a. Fair-market valuation - an accurate report on the value of the property at the time of inspection can be a useful information to determine what your house purchase, or sale, is worth.
- b. Pre-purchase valuation – protect yourself from making a purely emotional decision. An independent valuation prior to purchase will reveal if a fair price has been negotiated. It can save you a lot of hard-earned money.
- c.

- d. Pre-sale/auction valuation – an independent valuation will show you what you can expect. This will help you set a sale or reserve price.
- e. Prior to renovations/extensions – ensure you do not over-capitalize on a planned extension or renovation prior to commencing work. Expert advice will let you know if your property is in tune with market demand and its suitability in the location.
- f. Refinancing – assess the value of your property for future lending purposes.
- g. Family Law Valuation – your solicitor may require an independent valuation for instances such as a matrimonial settlement or a deceased estate. An independent valuation may reduce the potential for dispute.
- h. Prior to renovations/extensions – ensure you do not over-capitalize on a planned extension or renovation prior to commencing work. Expert advice will let you know if your property is in tune with market demand and its suitability in the location.
- i. Stamp duty valuation – a valuation report is required for calculating the required stamp duty payments when a property is transferred between parties.
- j. Capital Tax Valuation – a valuation is required to calculate the capital gain when selling a property
- k. Portfolio valuation – calculates the value of your property portfolio for accounting/book keeping purposes.

- l. Insurance Valuation: to determine the amount the property should be insured. This will ensure appropriate coverage in the event of loss resulting from any calamity.

- m. Deceased Estates – valuations for deceased estates are used to determine the asset value of a particular estate. Having a valuation carried out on properties forming part of the estate can help executors, and beneficiaries appropriately administer the estate and minimize the possibility of dispute.