



meeting	PENSIONS INVESTMENT SUB COMMITTEE	
date	3 NOVEMBER 2006	agenda item number

REPORT OF THE STRATEGIC DIRECTOR OF RESOURCES

PROPERTY INSPECTION 2006

Purpose of the Report

1. To report on the Property Inspection which took place on 21st and 22nd September 2006.

Information and Advice

2. This year's Property Inspection reviewed properties owned by the Pension Fund in the London area. Five separate properties were inspected, with a combined valuation of £69 million, which represents a significant proportion (over 20%) of the total value of the Property Portfolio. The properties involved were:

Property	Valuation £m	Description
Holland House, City	13.00	Office block - 6 floors - Built in 1914
Renown House, City	1.75	Small office building - 4 floors
Homebase, Streatham	11.75	Retail warehouse
Chancery House, Sutton	13.30	9 storey office block
Chiswick Park	29.40	1.8m sq ft office park development in West London
Total	69.20	

3. The inspection provided Members with an opportunity to:-

- a) assess the investment performance of each property at first hand
 - b) discuss with Fund Managers their plans for the properties
 - c) assess the state of the property market specific to the properties inspected
 - d) increase their awareness of the Fund Managers' performance.
4. In addition to the inspection, Members also received training from Arlington, the Property Investment Manager, on a number of issues including the property valuation process, the refurbishment process and allocation of properties to client Pension Funds.
 5. The estimated cost of the property inspection including overnight accommodation was £2,800 which has been met from the Pension Fund's budget for Trustee Training and Activities.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder, human rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

Recommendations

7. The report be noted.
8. The Property Managers be asked to organise another property inspection in 2007.

ARTHUR DEAKIN
STRATEGIC DIRECTOR OF RESOURCES

Background Papers Available for Inspection

Nil.