

THE VALUATION CONSORTIUM

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THE VALUATION CONSORTIUM DATABASE

A. HISTORY

In 1997 the first mass expropriations commenced with about 890 Preliminary Notices most of these expired after one year and the impression was that they were issued more for propaganda purposes than with real intent.

Between 2000 and the end of 2002 the government lost the referendum and suffered huge losses in the Parliamentary elections and was in real danger of losing the Presidential election. It became apparent that the large block of well organized opposition voters on the commercial farms was a real threat which precipitated in earnest the real mass expropriation and the drive to remove commercial farmers from the land and as a political force.

As well as all the legal issues involved it became apparent that farmers needed professional valuations of their assets and a comprehensive record to form part of the ongoing compensatory exercises.

B. ORIGIN

Early in 2002 Farmers representatives approached two of the participating firms with regard to a database of farmer's losses, a proposal was made that we form a consortium and construct a functional database.

To summarise the proposal, the database was to be **independent**, **commercial** and importantly **professional**.

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With our strong background knowledge of compensation law we were aware that the asset valuation was the cornerstone of a compensation claim and that a disturbance or other loss claim is the business of the individual.

We therefore restricted our approach to the asset valuation, however the Consortium has advised on these other issues where required and have retained copies for individuals in our filing system.

The database is a tool available to any party genuinely involved in the negotiation process.

It should also be considered that the database is a powerful planning tool with unmatched records of agricultural resources and strong Geomatics which any organisation involved in redeveloping agriculture would find invaluable.

The database has evolved in form and function far beyond its original concept. It is now seen as the basis for organized restitution, compensation and planning for restarting Agriculture in Zimbabwe. It contains GIS linked information on the location of arable land and land class, Irrigation and water sources, Curing and handling facilities, centers of development and tenure details.

The Land Audit: It is envisaged that the database will be in a position to provide significant input into any Land Audit and indeed could form the basic framework for that audit. The principles could be applied easily and speedily to Purchase Land, State Land Leases and Communal Lands. Our professional staff has broad experience in these areas and the Chairman actually undertook a Danish Aid sponsored audit of the Rural State Land Office several years ago.

The current cadastral overlays provide an extremely graphic view of the past and current situation with reference to farms recorded, legally purchased by indigenous farmers, those currently being farmed by the original owners, State Land and so on.

C. THE VALUATION CONSORTIUM

After discussions a consortium of seven firms was formed, all of whom had experience in farm valuation, a substantial portfolio of clients and a background in rural and legal valuation.

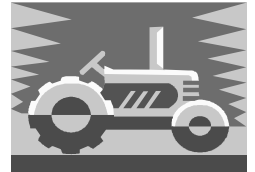
This made available ten qualified Valuers with strong agricultural valuation experience and includes four Members of the Royal Institution of Chartered Surveyors. Between the firms we had records of valuation for some 80% of all properties included in the database.

D. STRUCTURE OF THE DATABASE

The database attempts to capture, in a logical and sequential order, the information required to do an asset valuation of the land and permanent improvements of a farm. It does so with a flexibility that allows for the variety of valuation techniques, i.e. those of the Compensation Committee or by International valuation methods, whether they are on a market value basis or a depreciated replacement cost basis. It aims to collate the information sequentially, therefore for each farm we have structured a database with seven screens, progressing from the client details through to the valuation.

First Section:

Screen 1 is "Client Details" - there is an ascribed reference number with a suffix so that more than one farm (backed up to 99) can be placed against the individual reference number. This page includes client details, details of his representatives, accountant and valuation firm with addresses, e-mail addresses, phone numbers, etc. On the same page are the property legal details as recorded by the Deeds Office, with the district, ICA, legal description and local name of the farm, size, Deed of Transfer number and the registered owner. Also in the first section are mortgages and water rights.



Screen 2 is "Topographical and Mapping" giving the location of the farm in terms of directions, the 1:50 000 sheet reference, mercator grid reference, world co-ordinates, natural regions, rainfall and soils as per the rainfall maps and altitudes.

Screen 3 is "Farm Specific Information" applying only to the soils and natural water supply - arable and types of arable; grazing - types of grazing; appropriate Agritex soil classifications and details of natural water.

Screen 4 is "Development and Improvements" starting in a logical order from the main house, secondary housing, staff housing, then onto general farm buildings, sheds, stores and tobacco barns and special buildings.

Screen 5 refers to development in terms of roads, fencing, water and electricity supplies, driers, silos and horticulture.

Screen 6 is "Irrigation" - water storage, types of irrigation, special canals and so on. The second half of this section describes the farming enterprises during normal years.

At the end of each screen there is a space for comments and insertion of figures. The figures are then manually carried forward to;

Screen 7 "the Valuers Page" This page allows the valuer to make individual decisions about the farm, for example, additions for specialist buildings, bulk and grain silos, flowers, irrigation etc., which don't fall within the main body of the valuation.

The valuer is able to adjust his figures in terms of a quality factor for the main houses and dwellings, a depreciation factor for the farm buildings overall and an adjustment for the quality and location of the farm (which is a composite figure) and an adjustment for turnover in terms of type of enterprise if a Discounted Cash Flow (DCF) method is considered.

The Second Section

The reporting facility, whereby one can generate reports in any format required - as a **Valuation Roll** or as a **spreadsheet** for selected areas or for the database as a whole. The information to be included on the Valuation Roll can be selected from any of the data and would normally include reference; client name and details; property details; location; size and values.

For each individual title it will generate and print a full **report** and **valuation**.

General Reporting

The database can find and report in individual, group, type, area, Regional or total basis on any aspect or information contained in it. It can answer questions for example on physical aspects e.g. how many hectares of arable type 5E soils are located in Mashonaland Central Province? On development e.g. where are the single source bulk tobacco curers in Darwendale District? On Legal or Administrative issues e.g. how many Danish Farmers are on the database?

E. METHODS OF VALUATION

The structure of the valuation database enables the use of any method of valuation and is principally aimed at a) Depreciated Replacement Cost method as required in Part 1 of the Land Acquisition Act, Section 29, or b) A Market Value approach as is generally accepted internationally, including valuation based on the physical properties and improvements, or if required c) a turnover based (DCF) valuation. Should there be a change in the parameters the program can easily be restructured to cope.

F. SUMMARY

The Valuation Consortium database has over 3600 titles covering 5,25 million hectares which when considered with the 4,5 million hectares legally acquired in the 1980's and 1990's, the land purchased by indigenous farmers (reputedly up to 25% in some Districts) and allowing for the small number of farmers still on the land indicates that we cover up to 70% of the farms seized.

Progress

The CFU requested in late 2008 that Valcon changed its modus operandi to become a tool for the representation of the whole farming community in the global quest for either restitution or compensation. Restricted funding held us back until the assistance of the EU through CFU in November 2009. Soon after this we were able to expand our scope and add to the database function comprehensive GIS digital cadastral mapping. I illustrate this with our progress chart attached which we update on a regular basis, the start date corresponds with the commencement of GIS mapping.