Investment Property Accounting Course: Classification, Fair Value and Disclosure

18 – 22 January 2027
Cape town

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Programme Summary

Investment property accounting is the subject of this one-week training course for property finance directors, financial controllers and valuation committee members, ending in an investment property reporting file for one portfolio. Property often forms the largest balance sheet item of an owner, yet classification, measurement and valuation judgements are set late and disclosed thinly. The programme moves from classification to initial measurement, the choice of model, fair value evidence and disclosure, using prepared portfolio records from a fund and an operating group. Mars Training Centre UK delivers this programme on investment property accounting to mixed-organisation cohorts.

The Business Case

Leaders who classify property correctly, challenge valuer inputs and disclose judgements clearly give boards, lenders and auditors numbers that stand up. Where fair values are accepted as delivered, unsupported yields and rents flow straight into reported profit, and transfers between categories go unexamined. The programme works on the measures below.

- Valuation Challenge Quality: Improves when inputs are graded against evidence and queried with the valuer.
- Reporting Restatements: Fall when classification and transfer decisions are documented at the time.
- Audit Query Volume: Reduces when disclosures and workings are prepared to a fixed pack.

Principles and Evidence Base

- IAS 40 Investment Property: The standard on recognition, measurement and disclosure of property held for rent or capital growth, applied in Sessions 1, 2 and 5.
- IFRS 13 Fair Value Measurement: The standard that defines fair value and grades its inputs, applied in Sessions 3 and 4 to test valuer evidence.
- Discounted cash flow: A method that values income at today's worth, applied in Session 4 to check yield and rent assumptions.

Intended Participants

- Finance directors who answer for the property figures in reported results.
- Financial controllers who prepare classification, measurement and disclosure workings.
- Valuation committee members who review and approve external valuations.
- Asset and portfolio managers who supply the lease and income data behind valuations.

Typical settings include property funds, hotel and retail groups, developers and corporate owners with surplus property.

Learning Outcomes

1. Participants will be able to classify property as investment property, owner-occupied property or inventory.
2. Participants will be able to evaluate the fair value model against the cost model for a portfolio.
3. Participants will be able to calculate gains and losses on revaluation and on transfer between categories.
4. Participants will be able to diagnose weak inputs in an external valuation.
5. Participants will be able to prioritise queries to the valuer by effect on reported profit.
6. Participants will be able to justify judgements and disclosures to an audit committee.

Programme Structure

Day 1: Investment Property Accounting and Classification

Which properties belong in the investment category, and who decides?

- Property Classification Decision Tree
- Mixed-Use Property Split Test
- Group Occupation and Lease Review
- Held for Sale Boundary Check
- Classification Memo Template

Day 2: Recognition, Cost and Model Choice

What is recorded at purchase, and which model measures it afterwards?

- Initial Cost Build-Up Schedule
- Subsequent Expenditure Test
- Fair Value Model Versus Cost Model Table
- Depreciation and Impairment Workings
- Model Election Paper

Day 3: Fair Value Evidence and Inputs

How is fair value established, and how reliable is each input?

- Fair Value Input Hierarchy Grading
- Highest and Best Use Check
- Valuer Instruction and Scope Review
- Rent, Yield and Vacancy Input Log
- Valuation Report Reading Guide

Day 4: Valuation Challenge and Gains and Losses

Where can a valuation be wrong, and what does an error do to profit?

- Discounted Cash Flow Reasonableness Test
- Yield Movement Analysis
- Revaluation Gain and Loss Schedule
- Transfer Between Categories Computation
- Valuer Query Priority List

Day 5: Investment Property Reporting File for One Portfolio

Do the pieces join into a pack that an audit committee can rely on?

- Applying the Session 1 Classification Memo
- Testing the Session 2 Model Election
- Checking the Session 3 Input Grading
- Reconciling the Session 4 Revaluation Schedule
- Completing the Reporting File

Methodology

The programme is a data-led exercise built on prepared portfolio records from a property fund and an operating group: lease schedules, valuation reports, purchase files, capital expenditure listings and draft notes. Participants classify assets, compute gains, grade valuation inputs and defend their judgements to peers acting as an audit committee.

- Suggested activity: Splitting a mixed-use building between investment and owner-occupied parts.
- Suggested activity: Grading the inputs of a hotel valuation against evidence.
- Suggested activity: Drafting queries to a valuer on a yield change.

Capstone Output

Each participant completes an investment property reporting file for one portfolio. It holds a classification memo, a model election paper, an input grading, a revaluation schedule and draft disclosure notes. At work it supports the year-end close and the discussion with valuers and auditors, and becomes the template for later reporting periods.

Frequently Asked Questions

Is investment property accounting training suitable for managers without an IFRS background?

Yes. Investment property accounting is taught through prepared records and templates. You need responsibility for property figures, valuation review or reporting, but no previous work on IFRS statements.

Which standards does investment property accounting rest on in this training?

Investment property accounting here rests on IAS 40 for recognition, measurement and disclosure, IFRS 13 for fair value and its input hierarchy, and discounted cash flow for testing yields and rents.

How is the file from investment property accounting training used at work?

You use the reporting file at year-end close, take its input grading into valuer meetings and give its notes to auditors as support for disclosures.

How does investment property accounting differ from property valuation?

Investment property accounting decides how a property is classified, measured and disclosed in financial statements, whereas valuation estimates the value that the accounts then use.