

Building Reinstatement Cost Assessment



Property: Community Building
Lythwood Road
Bayston Hill
Shrewsbury
SY3 0LY

Prepared for: Bayston Hill Parish Council

Date: 23rd September 2022

BERRYS

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**ASSESSMENT OF BUILDING REINSTATEMENT COST
FOR INSURANCE PURPOSES**

IN RESPECT OF

Community Building
Lythwood Road
Bayston Hill
Shrewsbury
SY3 0LY

FOR

Bayston Hill Parish Council

We recommend that the base sum insured for the above buildings, on a “Day One” basis, is in the total sum of:-

£280,000 (Two Hundred and Eighty Thousand Pounds Only)

The above figure is inclusive of VAT and is on a “Day One” basis

The above figure does include VAT on rebuilding costs and fees

This figure is our assessment of the cost of reconstructing the properties at the date of the assessment and has taken into consideration demolition, debris removal, temporary shoring and professional fees likely to be incurred in their reconstruction.

This summary is part of and should be read in conjunction with, the remainder of this Report and must not be taken or read in isolation.



Signed:

Steve Latham BSc (Hons) MRICS
Building Surveyor
For and on behalf of Berrys
Beech House
Anchorage Avenue
Shrewsbury Business Park
Shrewsbury
SY2 6FG

23rd September 2022

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1. Introduction and Description

- 1.01 This assessment is prepared for Bayston Hill Parish Council to ascertain the base sum for buildings insurance purposes on a “Day One” basis in accordance with instructions received by Berrys from Julie Hodgkiss, Parish Clerk/Responsible Financial Officer dated 12th August 2022.
- 1.02 The premises were inspected by Otilie Harris BSc (Hons) and Steve Latham BSc (Hons) MRICS on 21st September 2022 and, at the time of inspection, the weather conditions were clear and dry. This report has been prepared having regard to the guidance notes covering this type of appraisal published by the Royal Institution of Chartered Surveyors.
- 1.03 The property is located on Lythwood Road in Bayston Hill, Shrewsbury. The premises provide leisure accommodation for the Parish Council, which includes an entranceway, WCs, leisure hall, kitchen and two storage rooms. The property’s gross internal area is approximately 117 sq./m.
- 1.04 The property comprises sectional concrete elevations, under a pitched roof with corrugated metal covering. Ground floors comprise assumed ground-bearing concrete. The property is served by timber windows with single-glazed units and timber doors. Rainwater goods comprise uPVC fittings throughout.
- 1.05 The premises are understood to be connected to mains drainage, electricity, and water.
- 1.06 The entrance to the premises is located at the front elevation which is accessed via the car park. Externally, there is a Tarmacadam parking area which fronts Lythwood Road. The property benefits from an enclosed garden to the rear and right-hand side elevation of the property, with various paved areas throughout. Boundaries comprise a combination of mature hedgerow, palisade fencing, and wooden stake and wire fencing.
- 1.07 Although the site is fairly level, we have not carried out any ground contamination or flood investigation assessments and we have assumed that the premises are not at risk from flood or similar damage. If the Insurers require any assurances in this regard, then we will arrange to have a separate Flood Risk and Ground Contamination Assessment undertaken.
- 1.08 Internally, the walls and ceiling are plastered throughout. The property is served by a combination of pendant and batten lighting, with a mixture of carpet and vinyl floor coverings.
- 1.09 Sanitary apparatus, including wash hand basins, sinks, WCs, and urinals located in the kitchens and WCs where appropriate. Hot water is provided by a point-of-use water heater.

2. Listed/Conservation Status

- 2.01 The premises are not, as far as we are aware, Listed and they do not lie within a Conservation Area administered by the Local Authority covering the area in which the property is situated.

3. VAT Status

- 3.01 This appraisal does include for the cost of unrecoverable VAT currently levied at a rate of 20% on building costs and fees which has been added to the valuation.

4. Basis of Assessment/Notes to Insurers

- 4.01 The assessment is calculated on the basis of current building costs and may not, in all circumstances, reflect the lowest tender price available, which, and on the basis of current tender price evidence, may in some cases be lower than the figure stated. However, our assessment is considered to represent an appropriate sum for which the properties should be insured within the constraints of the present market conditions affecting the building industry.
- 4.02 Our assessment has been prepared on a “Day One” basis and therefore no allowance has been made for inflation either during the insured year or during the possible rebuilding period and, if your Broker or your Insurers require the assessment to include inflation, we would be pleased to amend our figures accordingly.
- 4.03 We did not inspect any parts of the structures or premises which were concealed, unexposed or inaccessible and, for the purpose of our assessment, we have assumed that the site on which the premises stand is free from any contaminants or deleterious materials. Our inspection was undertaken from ground level externally, whilst internally only communal areas were accessible to inspect.
- 4.04 We have assumed that the rebuilding will be carried out using traditional concrete strip foundations and that the load bearing soil is adequate for this type of foundation.
- 4.05 In estimating the cost of reinstatement it has been assumed that the buildings and their use will be similar to those existing and the rebuilding will be to the original design in modern materials and using modern techniques to a standard equal to the existing properties and will comply in all aspects with current legislation and statutory requirements.
- 4.06 We have not included within our assessment allowances for the tenants’ and occupiers’ fixtures and fittings or furnishings. However, in assessing the extent of the building structures, services and fittings, we have made reasonable assumptions in respect of the inclusion of items which may have been installed by occupiers but which, by nature of their degree of permanence and annexation to the structure, will have become inured to the benefit of the owner.

- 4.07 Further, we have not carried out any investigations or made allowances for any remediation works which might be required by the Local Authority under legislation relating to contaminated land which might arise in the event of rebuilding being necessary, since the extent of the costs of such cannot be reasonably determined without detailed and costly investigation which is beyond the extent of this instruction. This should be drawn to your Insurers' attention.
- 4.08 No allowances have been made for loss of rental income from the premises or for the costs of relocation and alternative accommodation as a result of the necessity to reconstruct the buildings. You should ensure that you have adequate separate cover for these.
- 4.09 VAT has been included in this assessment including VAT on professional fees.
- 4.10 This Assessment does not include any advice in respect of the effects of inflation or deflation during the insurance period. A "Day One" policy may have cover built in by the Insurers for this, the amount reflecting the reconstruction period, and you should ensure that the uplift on the base sum insured applied to the cover is adequate for the period allowed for rebuilding i.e. 18 months when added to the insured year i.e. total 30 months for inflation.
- 4.11 We have made allowance in our assessment for the reinstatement of external pavings, boundary fencing, private road, walls and services which may be damaged as a result of fire or similar loss. Normally, external areas and private roads would be included as part of an insured risk and therefore we would strongly advise our clients to check with their Underwriters/Insurance Company and, if necessary, we can revise the assessment to omit these areas. We have not seen any Title documents and have made assumptions regarding boundary responsibilities based on our inspection. We have commented on areas which have been excluded as part of the assessment in the main section of the report.
- 4.12 We advise that the usual specified perils and extensions to the insurance contract be arranged and that none be deleted. We draw your attention particularly to the need to ensure that the policy includes the Local Authority (Non-Validation) Clauses.
- 4.13 We recommend that subsidence cover should be included in the policy in respect of the properties.
- 4.14 You should ensure that all other usual property insurances (including cover in respect of plant and machinery within the buildings, occupiers' fitting out

works, contents, plate glass, cover for BMS systems and Third Party and Public Liability matters) are held where appropriate.

- 4.15 The assessment does not provide advice in respect of terrorist damage cover and you should take your Insurers' advice in this respect and in the light of recent events in the UK in particular. We also draw your attention to matters in respect of terrorist activities. You should discuss with your Insurers, since you may, under some circumstances, be "Self Insuring" in relation to this risk. Unless additional cover for terrorism is taken, the usual Building Insurance Policy will contain a limitation on damage for this risk. We therefore strongly recommend that you should take additional cover for terrorism risks if appropriate. This can be covered under policies issued on the Lloyds of London insurance market or with Pool Reinsurance Company Ltd through your main Insurers. Your Insurers should give advice in this respect.
- 4.16 Should the properties or any part thereof be a security in respect of a mortgage, loan or similar, your Insurers' advice should be sought, and you should ensure that the mortgagor's interest is endorsed on the policy.
- 4.17 You should ensure that your Insurers are notified of the names of any tenants/lessees/occupiers and, if necessary, their names can be endorsed on the policy to ensure that the position of all parties is protected, insofar as is possible, in the event of an incident giving rise to a claim.
- 4.18 The assessment has been prepared having regard to the advice given by The Royal Institution of Chartered Surveyors for building insurance purposes and is not appropriate for any other purpose and does not cover the contents of the premises.
- 4.19 The above advice is given in respect of the building insurance or material loss policy only and we advise that you please check the above assumptions and basis of valuation against your Insurance Policy in order to ascertain whether our assumptions are correct. We reserve the right to change our valuation should any of the above assumptions not prove to be applicable.

5. Assessment

- 5.1 This assessment should be updated annually or, in the event of major alteration to the building, during the insured year or following reinstatement after a claim. If the property is not subject to major alteration or reinstatement, it may be possible to undertake a “Desktop Update” annually, however it is advised that a formal appraisal is undertaken every third year coupled with an inspection of the building.

6. Building Reinstatement Costs

- 6.01 The following is a summary of the overall assessment of rebuilding costs of the building at Community Building, Lythwood Road, Bayston Hill, Shrewsbury, SY3 0LY and subject to the Terms and Conditions of the Assessment and the general exclusions which have been highlighted previously.
- 6.02 We recommend that the base sum insured for the aforementioned building, as described within this Assessment and on a “Day One” basis, is in the total sum of **£280,000 (Two Hundred & Eighty Thousand Pounds Only)**.
- 6.03 The figure above includes VAT on rebuilding costs and professional fees and is an estimate of the cost of reconstructing the premises at the date of this Assessment and it has taken into consideration the costs of demolition, debris removal, temporary shoring and professional fees and the likely cost of reinstating the building and external areas using modern construction and in accordance with the current Building Regulation and Planning requirements.
- 6.04 This valuation is prepared on the information that we have received but no opening up, exploration or damage has been caused to the building or the adjoining areas.
- 6.05 This valuation should be read in conjunction with, and form part of, the remainder of this Assessment and should not be considered in isolation.
- 6.06 We have not made any allowance for inflation and we would recommend that the minimum rebuilding period allowed is eighteen months year and which should be added to the Insured Year to give an overall period of two years and six months from the date of our valuation and for the purpose of applying an inflationary allowance where applicable. In terms of the period required for rebuilding and to cover inflation and/or loss of rent, we would suggest that a minimum period of eighteen months is allowed as part of this Assessment.

S Latham

Signed:

Steve Latham BSc (Hons) MRICS
Building Surveyor
For and on behalf of Berrys
Beech House
Anchorage Avenue
Shrewsbury Business Park
Shrewsbury
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