

## COMMERCIAL REBUILD VALUATIONS FOR INSURANCE PURPOSES Frequently Asked Questions (FAQS)

### **Why does my commercial property need a rebuild valuation?**

As you may be aware, the aftermath of the Christchurch earthquake sequences led to significant changes in the insurance industry. It is now the responsibility of the insured party to assess rebuild costings and declare replacement value to their insurer. One can become acutely aware of the risks of underinsurance when considering the “averaging provisions” present in most insurance policies. Under the averaging provisions clause, in the event of a claim, an insurer may only pay out the percentage by which you are underinsured.

For example, if a property is underinsured by 50% of its actual replacement value, the insurer will pay only 50% of a claim, under the averaging provisions clause. This could potentially leave the insured party millions of dollars out of pocket. Not only does every property owner need to declare their sum insured, they need to get it right.

### **What will I get?**

A Commercial Rebuild Valuation report, based on elemental costs. Elemental building cost estimates determine the construction cost of a building, structure or site improvement by reference to the individual components or elements of that particular building. An elemental cost estimate is likely to produce a more robust cost estimate than an estimate based on other methods – such as building cost guides or m<sup>2</sup> rates.

### **Why use Construction Cost Consultants?**

We are a professional Quantity Surveying practice that has provided rebuild estimates to over 40,000 residential and commercial properties within New Zealand in the last five years. Our professionally qualified inspectors have the specific knowledge and training to carry out elemental building cost estimates for insurance purposes. We do not use generic m<sup>2</sup> calculator-type estimates. We are New Zealand owned and operated, with services covering the whole country. We are backed by Professional Indemnity Insurance and offer our own Guarantee of Accuracy.

### **What will you do?**

Our professionally qualified inspectors will visit the premises to undertake a detailed inspection, identifying and accounting for every unique feature of the building. Inspections are conducted by a member of our professional surveying team and involve a full measure and itemisation of the construction of the property, including any site or ancillary items such as parking garages or workshops, as well as improvements to the land such as retaining walls. The data profile compiled on-site is then sent to our office and for cost analysis and peer review. The report is finalized and issued to you, all within five working days.

### **What do I need to do?**

You will need to allow our surveyor access to the premises for at least one hour, depending on the type and size of building. Our friendly team are happy to coordinate with tenants or property managers as required.

### **What should I do with the report?**

We will issue the report directly to you. You should review our cover letter carefully before reading the report. If you have any queries regarding any aspect of the report, do not hesitate to contact us. We will not forward your report to any other party without express written permission from you. As the report is confidential to you and your professional advisors, you can then approach your broker and insurance companies and obtain the policy cover and premium that is appropriate to your circumstances.

**When should I get this done?**

Any time is the right time to get your sum insured accurate! Talk to your insurer, they will normally be happy to update your sum insured at any time during the insured period. You will likely receive a reminder to consider your sum insured every three years.

**When can you come?**

Our surveyors are available on weekdays between 8am and 5pm. Appointments outside of these hours are possible by special arrangement and subject to surcharge. We have offices nationally, covering all the main cities and outlying areas.

**How long will it take?**

Depending on the location and your requirements, we can arrange an inspection to take place with as little as one working days' notice. The surveyor will require access to the premises for at least one hour, and the final report will be issued directly to you within five working days and upon receipt of cleared funds.

**How much will it cost?**

Please contact us for a tailored quote, as every commercial property is different.

**How do I pay?**

After the site inspection is carried out you will receive our invoice by email or post. You can make payment using our online credit card facility, bank transfer or cheque. We will issue the final report upon receipt of cleared funds.

Alternatively, if you pay your insurance premiums by monthly deduction via Crombie Lockwood, you can add the cost of this estimate and spread the payments over the year too. Please contact your broker to arrange this.

**Contact our friendly team:**

Phone: 0800 4 CCC LTD (0800 422 258)  
Email: [crombielockwood@costconsultants.co.nz](mailto:crombielockwood@costconsultants.co.nz)  
Web: [www.costconsultants.co.nz](http://www.costconsultants.co.nz)

**OR**

To receive special Crombie Lockwood discounted pricing ask your CL broker for a referral form, or complete the online referral at [www.crombielockwood.co.nz/rebuildvaluations](http://www.crombielockwood.co.nz/rebuildvaluations)