

# Reinstatement Cost Assessment

**PROPERTY REFERENCE:** Not Advised

**BCH REFERENCE:** 75060

**CUSTOMER:** Oakthorpe Donisthorpe & Acresford Parish Council

**RISK ADDRESS:** OCLC Aka ME Sports, Measham Road  
Oakthorpe  
Swadlincote  
DE12 7RG

**DATE INSPECTED:** 28 November 2022

**SURVEYOR:** Lee Bond Cert CII

**LISTED STATUS:** Not Listed

**GROSS INTERNAL AREA:** 224 m<sup>2</sup>

**REBUILDING PERIOD:** 24 months (indicative)

**ASSESSMENT BASIS:** Day one reinstatement

**ASSESSMENT AS AT:** November 2022

**ASSESSMENT:** **£970,000 Excluding VAT**



**£1,164,000 Including VAT**

**LOCATION:** Situated in a residential area on extensive private land with good access and working space for reconstruction purposes

## DESCRIPTION

- **PROPERTY:** A detached single storey and purpose-built activity centre with associated changing rooms and office accommodation
- **ROOF:** Pitched with a tile covering; rooflight; rainwater goods
- **EXTERNAL ENVELOPE:** Facing brick walls; PPC aluminium windows; single and double personnel doors; entrance canopy; security shutters to doors and windows
- **INTERNAL FINISHES, FIXTURES AND FITTINGS:** Wall finishes include painted plaster and tiling; painted plaster ceilings; floor coverings include carpet and tiles; WCs; showers; kitchen with electric servery shutter; changing rooms
- **SERVICES:** Small power and lighting; hot and cold water; heating; fire and security alarm; data and telephone cabling; CCTV
- **EXTERNAL WORKS AND OUTBUILDINGS:** Asphalt parking area with lamp posts; asphalt paths; multi use games area with a metal fenced perimeter and floodlights; entrance gate; home and away benches; extensive areas of soft landscaping; mains service and drainage connections

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**COMMENTS:**

This report should be read in conjunction with the attached Reinstatement Cost Assessment Notes.

No allowance included for the following:

- Loose fittings, furniture and general contents

## REINSTATEMENT COST ASSESSMENT BREAKDOWN

**CUSTOMER:** Oakthorpe Donisthorpe & Acresford Parish Council

**PROPERTY:** OCLC Aka ME Sports, Measham Road, DE12 7RG

	Cost excluding VAT	Cost including VAT
Rebuilding cost	£498,000	£598,000
Demolition and debris removal	£30,000	£36,000
External works	£356,000	£427,000
Professional and other fees	£86,000	£103,000
<b>Day one reinstatement cost</b>	<b>£970,000</b>	<b>£1,164,000</b>

Schedule of Areas	GIFA (m <sup>2</sup> )
Ground Floor	224
<b>Total Gross Internal Area</b>	<b>224</b>

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## REINSTATEMENT COST ASSESSMENT NOTES

### GENERAL

#### REINSTATEMENT COST ASSESSMENT DEFINITION

This assessment follows the guidance outlined in the Royal Institution of Chartered Surveyors (RICS) Practice Standard- Reinstatement Cost Assessments of Buildings, published in 2018. A Reinstatement Cost Assessment (RCA) is defined as the cost of reinstating the existing structures at the address noted in the report, together with the building services, to the same design, in new materials using modern construction techniques, to a standard and size equal to, but no greater or better than, the existing structures, in accordance with current Building Regulations and other statutory requirements.

#### REINSTATEMENT COST ASSESSMENT PURPOSE AND LIMITATIONS

The RCA has been prepared having regard to the advice given by the RICS and insurance companies for building insurance purposes and is not appropriate for any purpose other than setting the insurance rebuilding value.

The report provides a reinstatement cost assessment based upon an overview and approximate estimating methods. A more accurate method of recalculating a reinstatement cost would be to commission quantity surveyors to prepare a detailed tender document for pricing by contractors. The detailed measurement and documentation required would render this an extremely involved and costly exercise, which is beyond the scope of this instruction.

The assessment does not contain advice concerning the condition of the building or possible defects, nor has any structural survey or other building inspection been undertaken. The assessment must not be used for market valuation or lending purposes. The reinstatement cost of a building is unlikely to have a direct relationship to its market value.

#### PLANNING

The assessment is intended to reflect the costs of the provision of a replacement building, compliant with building regulations, to incorporate current usage, replicating the design as closely as is practicable.

#### RECOMMENDED REVIEW PERIOD

Attention is drawn to the need to reassess the insurable amount on a regular basis. Good practice advises this is dealt with by way of an annual review. RICS recommends that a 'major review' be undertaken every three years. In some cases, this may be satisfied by a desktop review of the original assessment but, particularly where alterations to the building have been undertaken, a full reassessment involving a site visit is recommended. Care should be taken to ensure that the frequency of reassessment aligns with the provision of any Average Waiver wording contained within the relevant insurance policy.

#### INFLATION PROVISION

The amounts advised are defined as the Day One Reinstatement Value. Unless advised to the contrary in arriving at the reinstatement cost, no allowance has been made for anticipated inflationary increases in cost beyond the date of the assessment in the report.

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## EXTENT OF INSPECTION

Parts of the property which are built in, covered up or otherwise made inaccessible in the normal course of the construction, alteration or fitting out have not been inspected. No specialist inspections or reports of the building fabric, structure or electrical, plumbing and mechanical services installations have been arranged or carried out.

Where the assessment report comments on the assumed type of external cladding on the walls or any other component of the subject building, it is emphasised that the comment must not be construed as those of an 'Expert', as defined in current UK Government recommendations. Our assessment is not an External Wall Fire Review (EWS) nor, should it be construed as completing either Option A or B in Form EWS1.

It is beyond the scope of the brief to state whether any parts of the buildings or services are free from rot, beetle infestation, corrosion or other defects. In most cases the assessment is based upon external inspection and access to internal common areas only.

## REBUILDING PERIOD

The rebuilding period is calculated from the date of the insured event to the completion of construction, when the building is ready for use. This includes the preconstruction period and assumes immediate commitment and sanction to proceed, including the design and tender period, obtaining planning permission etc and the lead in time for the contractor.

Many variables can affect the rebuilding period and the time provided should be regarded as indicative only.

## VAT

The assessment does not extend to advise on whether all or any elements of the reinstatement cost could be subject to VAT in the event of a rebuild.

The assessment provides a breakdown of costs for the rebuild, demolition provision, external works and professional fees. The breakdown is provided with a figure excluding VAT and a figure including VAT on each element such that, at your discretion and in discussion with a specialist VAT advisor, VAT can be added where appropriate when arranging the insurance policy.

It is recommended that using the breakdown provided, professional advice is sought in advance of arranging the insurance policy. The decision to include or exclude VAT is at your discretion and no responsibility is accepted by BCH on advice received.

## INCLUDED IN THE ASSESSMENT

### DEMOLITION AND DEBRIS REMOVAL

Demolition and debris removal, as well as emergency shoring and propping following damage by an insured peril. No allowance has been made for credits which may be obtained for salvaged materials. Allowances for the removal of asbestos from site in the event of a loss will be included only where advised of its existing presence within the property by the Client.

### PROFESSIONAL FEES

The fees of all design and construction professionals considered necessarily employed in connection with the reinstatement of a property of this type, including Public Authority, Planning and Building Regulation fees. No

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allowance has been made for fees incurred in connection with the preparation or negotiation of the claim.

It is assumed that full scale fees would be charged. No consideration has been given to any competitive discounts which may be negotiated.

## **FOUNDATIONS**

The assessment assumes the reinstatement of foundations commensurate with properties of this style and location. Ground conditions are assumed to be stable with no requirement for the special consideration of unusual or abnormal foundations or ground stabilisation or compaction costs.

## **MECHANICAL AND ELECTRICAL SERVICES**

Mechanical and electrical installations which form part of the building services such as sanitary fittings, heating and cooling equipment, rising mains, lighting and power points, lifts, hose reels, hydrants, sprinkler installations, smoke detection and fire and intruder alarm systems.

## **FIXTURES AND FITTINGS**

Fitted kitchens, cloakrooms and bathrooms, stairs, fire escapes, doors, fitted joinery, fireplaces, floor, wall and ceiling tiles and other permanent fittings and decorative finishes are included. However, such allowances are for the cost of replication and not any rarity value which might be related to the original creation.

In the absence of internal inspection of individual units, dwellings or flats within blocks, it is not possible to make allowance for fixtures and fittings of exceptional quality such as kitchens and sanitaryware. The assessment makes provision for fixtures of good quality, commensurate with properties of this style and location and based upon experience and internal inspection of similar properties.

## **EXTERNAL WORKS**

Main service connections, drains, surfaces to driveways, pathways, fencing, gates, lighting, signage and hard and soft landscaping where such provision is necessary, related to the policy wording.

## **LISTED BUILDINGS**

In order to recreate buildings of this type it would be necessary to overcome some basic practical problems. These include difficulties in proving the stability of the building structurally if traditional materials are to be used and the sourcing of those materials. Should there be a large-scale incident there needs to be agreement as to the extent of the faithfulness of the restoration between the Insured, the Insurer and the relevant national heritage governing body in conjunction with the local Planning Authority.

The assessment assumes the use of salvaged and new materials using modern construction techniques but not meticulous reinstatement in providing a replacement building. This assessment value should be sufficient to deal with a worst-case repair whereby the listing authorities require the building to be reinstated using original construction techniques and where possible, like for like building materials.

Allowance for any temporary propping that may be necessary to facilitate the careful taking down of the remaining structure and potential salvaging of materials for re-use or replication. The assessment allows for the excavation and conservation of debris and recording of the remains, and research necessary for accurate (but not meticulous) reinstatement.

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In the event of a total loss or extreme damage, modern materials and methods may be adopted to create the same general external appearance by the salvage of original materials and sourcing of new where possible. An example could be the use of steel and concrete in concealed sections.

It should also be borne in mind that in the case of extensive damage to historic structures it might be more expensive to repair than rebuild, due to the high cost of stabilising the remains and making the parts to be reinstated compatible with the original building. This will also increase the cost of debris clearance and professional fees. The overall cost of repairs will be subject to the addition of VAT whereas, as referred to above, a zero rating will apply to total rebuilding of a residential building. If the cost of repairs were higher than rebuilding, an insurance policy would normally require a rebuild.

## EXCLUDED FROM THE ASSESSMENT

The following items are not included within the RCA. Careful consideration should be given to the terms of the insurance schedule and lease agreements and responsibilities therein.

<b>CONTENTS WITHIN THE PROPERTY</b>	Contents items, which are not permanently attached to the building(s) including carpets, wall hangings, tapestries and the like. Debris arising from the destruction or damage of contents is also excluded.
<b>TENANTS FIXTURES AND FITTINGS</b>	Unless stated to the contrary where a building is let or leased, tenants' improvements, fixtures and fittings, which are understood to be the responsibility of and insurable by the tenant are excluded from the assessment.
<b>FUTURE IMPROVEMENTS OR EXTENSIONS</b>	Future improvements or extensions to the building(s) would necessitate a review of the RCA subsequent to the completion of those works.
<b>GRANTS</b>	Statutory or other grants or incentives which may have been received or be available.
<b>PLANNING</b>	Alterations to the property which a Public Authority may require in obtaining relevant consents for rebuilding works. Allowances for diversion of public services and road closures associated with such operations.
<b>SECTIONS 106 &amp; 278 AND THE COMMUNITY INFRASTRUCTURE LEVY</b>	Payments required as a result of Sections 106 or 278 of The Town and Country Planning Act and/or the Community Infrastructure Levy, which is already in place in some areas.
<b>CONTAMINATED LAND</b>	Remediation works which might be required by a Public Authority under any legislation (e.g. Environmental Protection Act 1990), relating to contaminated land, since the cost of such cannot be reasonably determined without detailed and costly investigation, which is beyond the scope of this instruction. This might arise in the event of a full rebuilding being necessary and should be drawn to Insurer's attention.  Environmental survey to establish whether contamination exists or may exist within the land, buildings or site improvements and BCH can accept no liability in respect of any previous or subsequent findings.

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**HAZARDOUS MATERIALS**

Additional costs incurred in the disposal of radioactive or hazardous materials. Unless advised by the Client of its existence, costs for the disposal of asbestos and asbestos containing materials are excluded from the assessment. No allowance has been made for the clean-up of land which may be contaminated as a result of the destruction of buildings.

**DELETERIOUS MATERIAL  
AND INHERENT DEFECTS**

Any investigation into structural engineering design, compliance with legislation in relation to buildings or the unsuitable use of high alumina cement, calcium chloride, calcium-silicate brickwork, sulphate reaction in concrete, woodwool slabs used as permanent shuttering, cavity wall failure, radon gas seepage or other materials considered as deleterious in construction. For further information of such materials, the BCO publication "Good Practice in the Selection of Construction Materials (March 2011)" refers.

Due to a lack of foreseeability, any allowance for excavation, replacement or stabilisation of land under or around the buildings, whether, or not, related to an insured event.

**UPGRADES OR  
IMPROVEMENTS**

Save for compliance with current Building Regulations, upgrades or improvement that may be incorporated into the design of any damaged or destroyed structure.

**ALTERNATIVE  
ACCOMMODATION**

Alternative accommodation that may be needed during any rebuilding period.

**LOSS OF INCOME  
AND/OR  
CONSEQUENTIAL LOSS**

Loss of rent, loss of market value, premium costs for fast-track procurement, business interruption or any financial or consequential loss that may arise following damage or destruction of the subject building(s).

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