

Press Release 2023



BUILDINGS INSURANCE – ARE YOU SUFFICIENTLY COVERED?

Higher costs of materials, rising labour costs, energy price increases and high inflation all mean that construction costs have increased substantially over the last 3 years. This of course also means that in the event of the unimaginable, and a claim being made on your buildings insurance policy, the costs of rebuild will be proportionately higher.

It is therefore worthwhile checking that your buildings are adequately covered. The rebuild cost will also need to include demolition, site clearance and professional fees such as architects, project manager, structural, mechanical and electrical engineers, plus VAT where not recoverable. The insurance reinstatement figure is often very different to the market value. If your building is underinsured, then your insurer may not cover all of the claim or potentially refuse the claim altogether. If the property is let, then depending upon the terms of the lease it may be possible for the costs of having the building reinstatement valuation undertaken to be recharged to the tenant.

Tim Richardson comments,

“At FHP, we have access to the latest build cost tender price indices and regularly provide reinstatement cost assessments for commercial properties. There are a number of factors which affect rebuild costs such as location, layout, number of storeys, specification such as air conditioning, all of which should be factored in. If you would like your building reinstatement cost updated, then please do get in touch.”

Contact: Tim Richardson BSc MRICS on 01332 317 277 or email timr@fhp.co.uk

ENDS

Tim Richardson
April 2023

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