

# Press Release 2024



## REINSTATEMENT COST ASSESSMENT

The RCA is also known by its full title, Reinstatement Cost Assessment and is used for building insurance purposes. It is often left at the same value as it was last year (or any previous year). A landlord or owner occupier will require up to date assessments of building reinstatement and the RCA is fundamental to the level of the premium when it comes to the buildings insurance. Being underinsured can be detrimental to a business going forward, in the adverse position of a claim being required under the insurance policy. Equally, being overinsured means that a business owner or landlord is paying a too high insurance premium.

At FHP we are able to provide Reinstatement Cost Assessments for insurance purposes on a wide variety of commercial premises and the majority of residential premises, throughout not only the East Midlands, but nationally. Accordingly, we are guided by the Royal Institution of Chartered Surveyors Guidance Note on the Reinstatement Cost Assessment of buildings (3<sup>rd</sup> Edition) and attention is normally drawn to the need to have this reassessed on a regular basis either by way of a desktop update on an annual basis or for a full reassessment every 3 years.

If substantial alterations or additions are being undertaken to the property, this will also require the need for a new Reinstatement Cost Assessment, preventing underinsurance going forward.

Jon Marriott, RICS Registered Valuer at FHP Property Consultants, comments:

“It is imperative that landlords and owner occupiers have frequent Reinstatement Cost Assessments undertaken for the provisions of insurance, especially in order to mitigate any potential underinsurance or indeed prevent over insuring”.

I would be happy to discuss the matter further should you require assistance.

FHP Property Consultants undertake valuations for a range of purposes, including accounts; pension fund; taxation; insurance; loan security; probate and charity disposals. Such formal valuations are conducted by RICS Registered Valuers. If you are considering updating valuations of your property assets, then please do get in touch.

Fisher Hargreaves Proctor Limited is the region's leading commercial property consultancy.  
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ENDS

Jon Marriott  
15 March 2024

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