CONSTRUCTION COST CONSULTANTS

"Building Your Confidence"

COMMERCIAL REINSTATEMENT ESTIMATE FOR INSURANCE PURPOSES

4-10 Tennyson Street, Te Aro
Wellington 6011

27 February
2025

** Not intended for contract works

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REFERENCE.	COM055464	**DATE.**	27 February 2025
PREPARED BY.	Scott Taylor	**SIGNED.**	
CHECKED BY.	Andrew Thomson	**SIGNED.**	MRICS, FQSi, FNZIQS, Reg. QS

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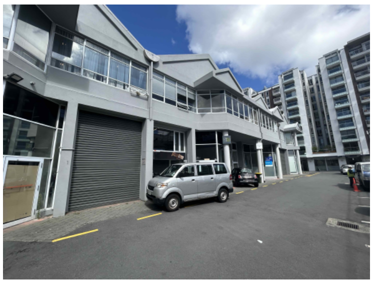

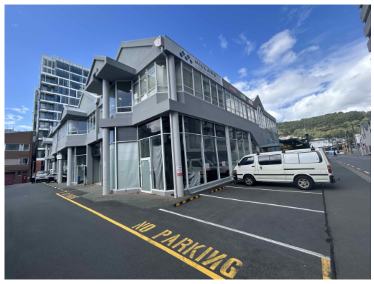
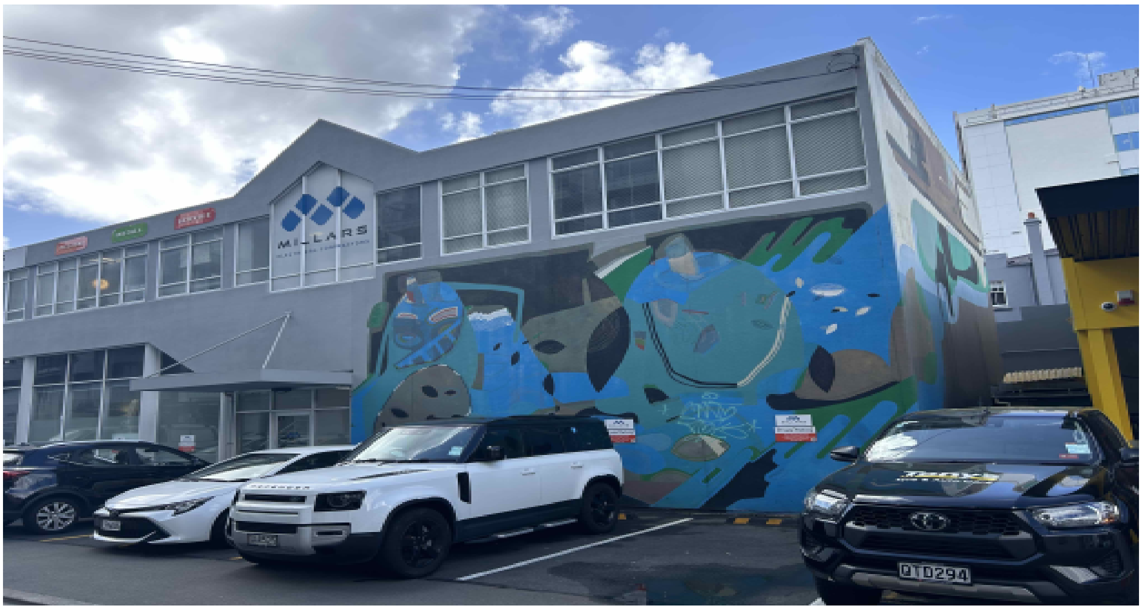

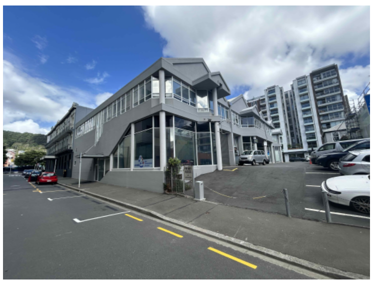
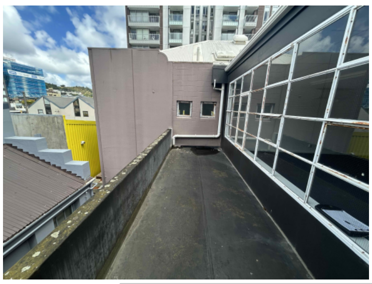

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NOTE. THE FOLLOWING VALUATION IS SUBJECT TO THE FOLLOWING

(a) All figures quoted are exclusive of Goods & Services Tax. Finance costs and other indirect costs unless otherwise stated.

(b) All figures are exclusive of any allowance for the land value.

(c) This form must be read in conjunction with the definitions and explanation of terms on the reverse hereof.

(d) The information in this report has been prepared to establish insurance values and may not be used for other purposes without the written consent of the person/firm who provided any information herein.

(e) All figures for building work assume compliance with current building regulations and bylaws.

(f) No allowance has been made for any delay due to the need to comply with the Resource Management Act.

(g) An insurance period of 12 months is assumed unless stated otherwise.

(h) All inflationary provisions are given without prejudice.

NAME OF INSURED.	Body Corporate 66502
ADDRESS OF ASSET(S).	4-10 Tennyson Street, Te Aro, Wellington 6011

ASSET DESCRIPTION.

This commercial premises is a two level building with tilt slab and plastered cement board clad walls plus profiled metal steel roofing. Construction circa 1986. All set on a flat urban site with easy access.

USE / OCCUPATION.	Office
AGE OF ORIGINAL BUILDING.	1986
NBS RATING.	NOT KNOWN
SOURCE.	Assessor
NOTES OF ANY MAJOR UPGRADE(S).	NOT KNOWN
DATE.	NOT KNOWN
OTHER KNOWN CHARACTERISTIC(S).	NOT KNOWN
LAND CONTOUR.	Flat

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1.0 REINSTATEMENT VALUATION (EXCLUDING GST)

a.	Reinstatement RV exc year 1 inflation	$	5,894,421
b.	Year 1 inflation provision	$	530,498
c.	Year 2 inflation provision	$	385,495

2.0 INDEMNITY VALUATION

a.	Depreciated reinstatement cost	$	2,974,571
b.	Inflation provision (during the insurance period)	$	178,474

3.0 FIRE SERVICES LEVY VALUE

(accounts for property exempt under Schedule 3 of the Fire Services Act 1975)

a.	For the calculation of fire services levies	$	2,153,579
b.	Inflation provision (during the insurance period)	$	129,215

4.0 FUNCTIONAL REPLACEMENT

a.	Functional replacement cost	$	N/A
b.	Inflationary provision	$	N/A

5.0 DEMOLITION ESTIMATE

$	695,362

6.0 PERIOD OF REPLACEMENT

(the period of replacement has been based on a total site loss)

a.	Demolition, design and documentation period	3 months
b.	Reinstatement	15 months
TOTAL		18 months

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ASSESSMENT OF REINSTATEMENT COST

1. Introduction

1.1 In accordance with instructions received from Body Corporate 66502 and confirmed on 23 January 2025, we have inspected the property known as 4-10 Tennyson Street, Te Aro, Wellington 6011 in order to carry out a Reinstatement Cost Assessment for building insurance purposes on a Day One basis and confirm our recommendations.

2. Inspection

2.1 The inspection was undertaken by Xavier Smith on 18 February 2025.

2.2 Access was possible to all areas of the property during our inspection.

3. Description

3.1 The property is two level office building.

3.2 The property fronts onto Tennyson Street.

4. Declared Value

4.1 We recommend that for the forthcoming year commencing 18 February 2025 the base sum insured for the building be as shown on the attached schedule in the sum of: **$6,424,919 excluding GST.**

4.2 Allowance for inflation (for year 2 only) and demolition are calculated separately and should also be added to the base sum insured as follows:
Year 2 inflation provision: **$385,495 excluding GST**
Demolition estimate: **$695,362 excluding GST**

5. Parameters of Assessment

5.1 The figures stated above represent our assessment of the cost of reconstructing the property at the date of the assessment and has taken into consideration demolition, debris removal, temporary shoring and professional fees likely to be incurred in its reconstruction. These figures may be used to make your own insurance arrangements or for you to negotiate a claim with the assistance of your broker and your insurers.

5.2 These figures are calculated on the basis of estimated building costs and may not, in all circumstances, reflect the lowest tender price available.

5.3 These figures are calculated using the Gross Internal Area (GIA) of the property, as defined in RICS' Code of Measuring Practice. The GIA has been calculated from site measurements recorded during our inspection.

5.4 In estimating the cost of reinstatement it has been assumed that the building and its 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 property, whilst complying in all aspects with current legislation and statutory requirements. We have made no investigations into local or structure plans.

5.5 We have made allowance in our assessment for the reinstatement of, for example, external paving, services and the like, which are assumed will be damaged as a result of a fire or similar loss.

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ASSESSMENT OF REINSTATEMENT COST cont.

5.6 We have not included within our assessment allowances for tenants fitting-out works, fixtures, fittings or furnishings. However, in assessing the extent of the building structure, services and fittings, we have made reasonable assumptions in respect of the inclusion of items that may have been installed by tenants but which, with reference to the lease and their degree of permanence and annexation to the structure, are now deemed to be of benefit to the owner.

5.7 No allowance has been made for any remediation works that may be required under legislation relating to contamination or asbestos removal, which may arise in the event of reinstatement of the property, since the extent and costs of such cannot be reasonably determined without separate detailed and costly investigation. You may wish to draw this to your insurer's attention.

5.8 This assessment does not include allowances for providing alternative accommodation from the date of damage to the date of re-occupation.

5.9 The assessment makes no allowance for loss of rent or other pecuniary loss that may arise from the destruction of the building.

5.10 This assessment does not include allowances for cover in respect of other property insurances, such as plant and machinery within the buildings, occupiers' fitting-out works, contents, plate glass and Third Party and Public Liability matters.

5.11 Attention is drawn to the need to re- assess the base sum insured on a regular basis. Good practice advises that this is dealt with by way of a desktop update on a **bi-annual basis**, with a full re-assessment undertaken on the **fourth year**. A full assessment also needs to be prepared in the event of substantial alterations being undertaken to the property.

5.12 CCC Ltd have not included further caveats specific to the property.

5.13 Construction costs have also been altered to reflect changes in structural design standards.

5.14 The valuation and schedules are provided for insurance purposes only. They should not be used for any other purposes.

5.15 In compiling this valuation, inflation allowances have been based on the worst case scenario of a loss at the end of the insurance period. Inflation allowances have been excluded during the reconstruction period.

5.16 In assessing the Current Replacement Cost Estimate, we have presupposed that awarding reconstruction works to elected contractors the tender submissions will be based on a competitive tendering process. NOTE: In the event of a catastrophic disaster, such as the 2011 Canterbury earthquake, construction costs including rebuild periods may be significantly greater than those allowed for in this valuation.

ASSESSMENT OF REINSTATEMENT COST cont.

5.17 Our valuation is made on the basis of the assumption that there are no current regulations that would prevent reinstatement of the business and property following accidental loss. Territorial, Local and Regional Authorities will only formally confirm that a property can be reinstated when a resource consent application and/or permit is applied for. Any approval issued will, given compliance with the relevant rules, normally be subject to conditions. In non-complying cases, issue of consent will usually be subject to recourse under the Resource Management Act and the Building Act, including the new earthquake design standard NZS1170.5:2004.

5.18 Accordingly, the Reinstatement Estimate is based generally on replacing the assets substantially in the same configuration and productive capacity as exists at present, but incorporating the use of current materials, equipment and techniques or reinstatement.

5.19 The full extent of Resource Management (regulatory) and/or code changes that may be required in reinstating lost assets would require a separate, detailed technical survey to assess. This has not been undertaken as it is not within the scope of this valuation. As such the valuation does not include for the extra costs that may be occasioned by the insured having to rebuild to a different regulatory or code regime than presently enjoyed under "existing use" rights.

5.20 Where functional replacement is required the assessment of functional replacement cost is based on replacing the current asset with a modern day equivalent asset that will perform the same function.

6. Period of Replacement

6.1 The period of replacement has been based on a total site loss.

Demolition, Design & Documentation period	3 months
Reconstruction period	15 months
Total	18 months

7. Recommendation

7.1 In order to maintain accuracy and robustness of the estimates due to the frequent market rate movements within the construction industry. We recommend that these estimates be updated on a bi-annual basis, prior to renewing the insurance policy.

8. Declaration

8.1 This report is provided for insurance reinstatement purposes only and does not contain any advice concerning the condition of the property or possible defects therein.

8.2 It should be noted that there is no direct relationship between the reinstatement assessment and the market value of the property.

This assessment has been prepared with regard to the advice given by The Royal Institution of Chartered Surveyors and insurance companies for building insurance purposes and is not appropriate for any purpose other than insurance.

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ELEMENTAL COST PLAN

No.	ELEMENT	COST	
	Primary Building		
1	Preliminary and general	$	578,474
2	Site preparation, foundations and ground floor	$	587,170
3	Structural frames and walls, upper floors and roofing	$	1,444,219
4	External walls, cladding, windows and doors	$	1,131,700
5	Internal walls and ceilings	$	244,526
6	Internal stairs	$	194,302
7	Floor coverings, joinery, fittings and fixtures	$	264,004
8	Electrical, plumbing, fire, mechanical and special services	$	708,903
9	Fixed appliances, fires and flues	$	37,100
	External Works		
10	Drains and external works	$	183,667
11	Sundry	$	25,026
	Sub-total	$	5,399,091
	Builders margin and profit	$	485,918
	Professional fees	$	539,909
	Total (exc GST)	$	6,424,919
	GST	$	963,738
	Total	$	7,388,656
	Cost of demolition (not included in above)	$	695,362
	GST	$	104,304
	Total	$	799,666

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TERMS AND CONDITIONS

These Terms and Conditions are applicable to purchases of Commercial Rebuild Valuations for Insurance Purposes from Construction Cost Consultant Limited [CCC Ltd]. They are not intended to exclude or limit any rights which you may have as a consumer under the Consumer Guarantees Act 1993 and may not necessarily describe all rights you may have.

QUOTATIONS POLICY

Quotations issued will be valid for 30 days and must be booked in prior to this period ending.

Quotations will be issued based on the schedule of buildings provided by the client which creates the scope of works. Extra fees apply to separate buildings not included in the initial scope of works.

Any additional buildings and infrastructure not disclosed at the time of booking will be subject to an additional fee in order to include the item in the survey. In this instance, what constitutes these items shall be at the discretion of the attending surveyor. Written quotes are available on request for customers with multiple properties, commercial premises, groups or Body Corporates.

CANCELLATION POLICY

All cancellations or reschedules of booked site inspections require at least **two working days'** notice or they will be subject to the following charges:

(a) Less than two working days' notice will result in a charge of half the quoted price of the scheduled service.
(b) Cancellation without notice (ie. cancellation on site) will be charged at the full price of the scheduled service. Any cancellation charges incurred will be issued via invoice within 48 hours of the date of the scheduled service.

PAYMENT POLICY

Our standard payment terms for Commercial Rebuild Valuations are as follows:

(a) All prices quoted are in New Zealand Dollars (NZD).
(b) An invoice will be issued to you via email one working day after the survey has been completed.
(c) **Our invoice is payable within 7 days.**
(d) Payment may be made by cheque, electronic bank payment or credit card. Please ensure that you provide an appropriate reference so that we may identify your payment (a 1.5% charge will be added to payments made via credit card).

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TERMS AND CONDITIONS cont.

QUERIES; AMENDMENTS TO REPORTS

In the event that a Commercial Rebuild Valuation requires amendment, clarification or revision, CCC Ltd will endeavour to meet these requirements with professional integrity and co-operation with the property owner. Should your insurance provider have queries with regard to your report or require further breakdowns of the information provided in the report, CCC Ltd shall comply only with express permission from the property owner. Please note that an additional administration fee, not exceeding $50.00 incl. GST, may be incurred depending on the type of query received. In the event that an administration fee is incurred, the customer will be notified in advance of the work being carried out, and payment terms as outlined in this document will apply.

CHANGE OF MIND

Please choose carefully as we do not have to provide a refund if you have changed your mind about your purchase. Under the Consumer Guarantees Act 1993 ('CGA'), you have guaranteed legal rights for goods and services you buy.

If the goods or services we supply do not meet a consumer guarantee, we will meet our obligations under the CGA to provide a remedy.

PRIVACY

The Commercial Rebuild Valuation is provided for the sole use of the "Name of Insured" and their insurance provider, for the "Address of Insured Property". In the event that the client does not want the insurance provider/broker to be issued with a copy of the report, the client is responsible for advising CCC Ltd that a copy should not be released. No liability will be accepted from any third party who places reliance on this report.

Information gathered in carrying out the rebuild valuation shall be held by us and may be used for research purposes. No identifiable information will be shared with any third party without the express permission of the property owner.

We will confirm that we have not sighted, unless specifically noted, your LIM, Title or Property File.

The report is for the client only and cannot be shared or on-sold to another party without express permission of CCC Ltd.

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TERMS AND CONDITIONS cont.

CCC OBLIGATIONS

CCC Ltd endeavour that this Commercial Rebuild Valuation is sufficient to rebuild the property to a building standard or specification similar to, (but no more extensive or better than the property's condition when new), with current equivalent techniques and building materials readily available in New Zealand. The valuation applies for a period of 12 months from the date of survey or 24 months where an inflationary provision has been established.

CCC Ltd will take all reasonable care in establishing a professional opinion with regards "unseen items" i.e. retaining walls, foundations and tanks. Determining these hidden costs is a challenge and therefore current costings or certified drawings, provided prior to any survey, will enhance the estimation.

It is a condition that CCC Ltd is engaged by the insurer of the insured (where applicable and approved), to manage quantity surveying of the rebuild of the property in conjunction with the Commercial Rebuild Valuation established.

CCC Ltd are required to carry Professional Indemnity Insurance. A certificate of currency is available where formally required.

RENEWAL

Our report is **valid for 2 years** if the inflationary provision is used and after that time it is necessary to get a renewal. CCC Ltd will provide a desktop renewal at **50% of the original fee**. If you have made considerable structural changes to the property CCC Ltd will need to revisit the property and therefore will charge full price.

The above does not apply if you are on a **4 year payment plan** and this report is only **valid for 12 months.**

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DISCLOSURE STATEMENT

1. The following information has been supplied to Capital Commercial (2013) Limited ("Bayleys") to be made available for distribution on the vendor's behalf to potential purchasers to assist purchasers with their due diligence and to use at the purchaser's discretion.
2. Bayleys and the Vendor do not warrant the accuracy or completeness of the information and recommends that all recipients undertake their own due diligence, obtain their own reports to their satisfaction and seek independent advice prior to committing to purchaser.