

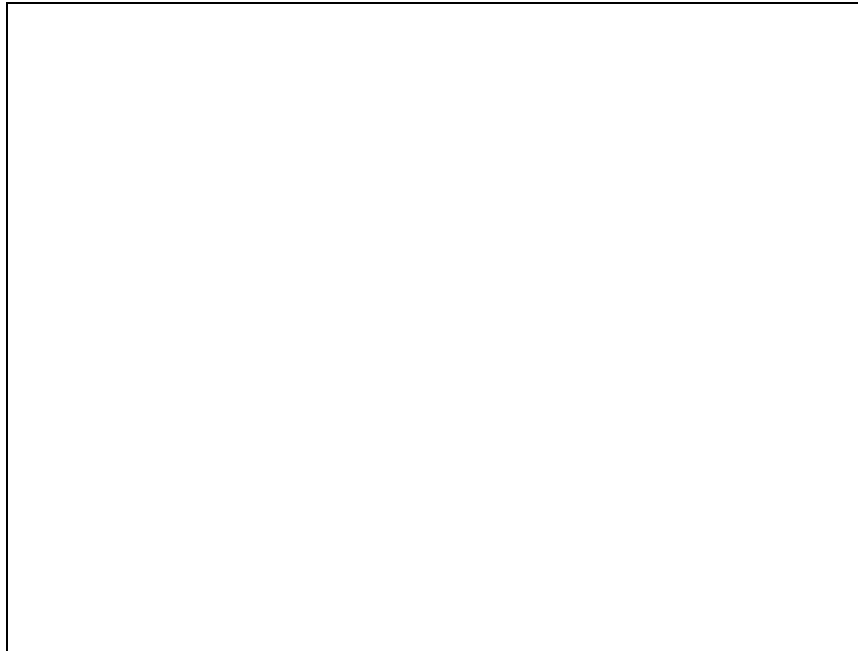


# Insurance Valuation Report

For

*Wind Apartment*

*35 Landsborough Parade*



*PLAN NUMBER: 99999*

*JOB NUMBER: 22222*

*DATE: Wednesday, 14 December, 2011*

*Independent Inspections*

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## REPORT CONTENTS

<b>SECTION 1 – INSURANCE VALUATION SUMMARY.....</b>	<b>3</b>
1.1 PURPOSE OF REPORT .....	3
1.2 PROPERTY ADDRESS .....	3
1.3 DESCRIPTION OF BUILDING .....	3
1.4 CLIENT .....	3
1.5 REPLACEMENT VALUE.....	3
<b>SECTION 2 – INSURANCE VALUATION REPORT .....</b>	<b>4</b>
2.1 REPLACEMENT VALUE.....	4
2.2 LOSS OF RENT AND EMERGENCY ACCOMMODATION .....	4
2.3 CURRENT TRENDS.....	4
2.4 PERIODIC REVIEWS.....	4
2.5 ELEMENTS USED IN THE CALCULATED VALUE OF THE BUILDING REPLACEMENT .....	4
2.6 VALUATION .....	5
2.7 SITE LOCATION MAP.....	6
<b>SECTION 3 – REPORT NOTES .....</b>	<b>7</b>
<b>SECTION 4 – SITE PHOTOGRAPHS .....</b>	<b>8</b>

## SECTION 1 – INSURANCE VALUATION SUMMARY

<b>1.1 Purpose of Report</b>	
We have been instructed by the Strata to provide a building valuation report that outlines the replacement costs of the building for situated at 35 Landsborough Parade .	
<b>1.2 Property Address</b>	
The property is situated at 35 Landsborough Parade.	
<b>1.3 Description of Building</b>	
The building consists of 31 Residential Units with Carparking and Pool areas.	
<b>1.4 Client</b>	
AAA Certified Body Corporate Samantha	
<b>1.5 Replacement Value</b>	
Recommended Insured Value: <span style="float: right;"><b>\$12,950,000</b></span>	

## SECTION 2 – INSURANCE VALUATION REPORT

### 2.1 Replacement Value

The Replacement value involves the construction of a building having the same functional use and of the same useable area as the building was originally and also to conform to regulations and bylaws since the original date of construction.

### 2.2 Loss of Rent and Emergency Accommodation

An Allowance for The loss of Rent and Emergency Accommodation has been made for a 104 Week Period is to the Value of \$1,209,000.

### 2.3 Current Trends

Past years of inflationary trends in the cost of building have caused enlightened and prudent owners to look more closely at their insurance cover.

### 2.4 Periodic Reviews

It is recommended that periodic reviews of the insurance valuation in terms of inflation and the cost and effect of building regulations.

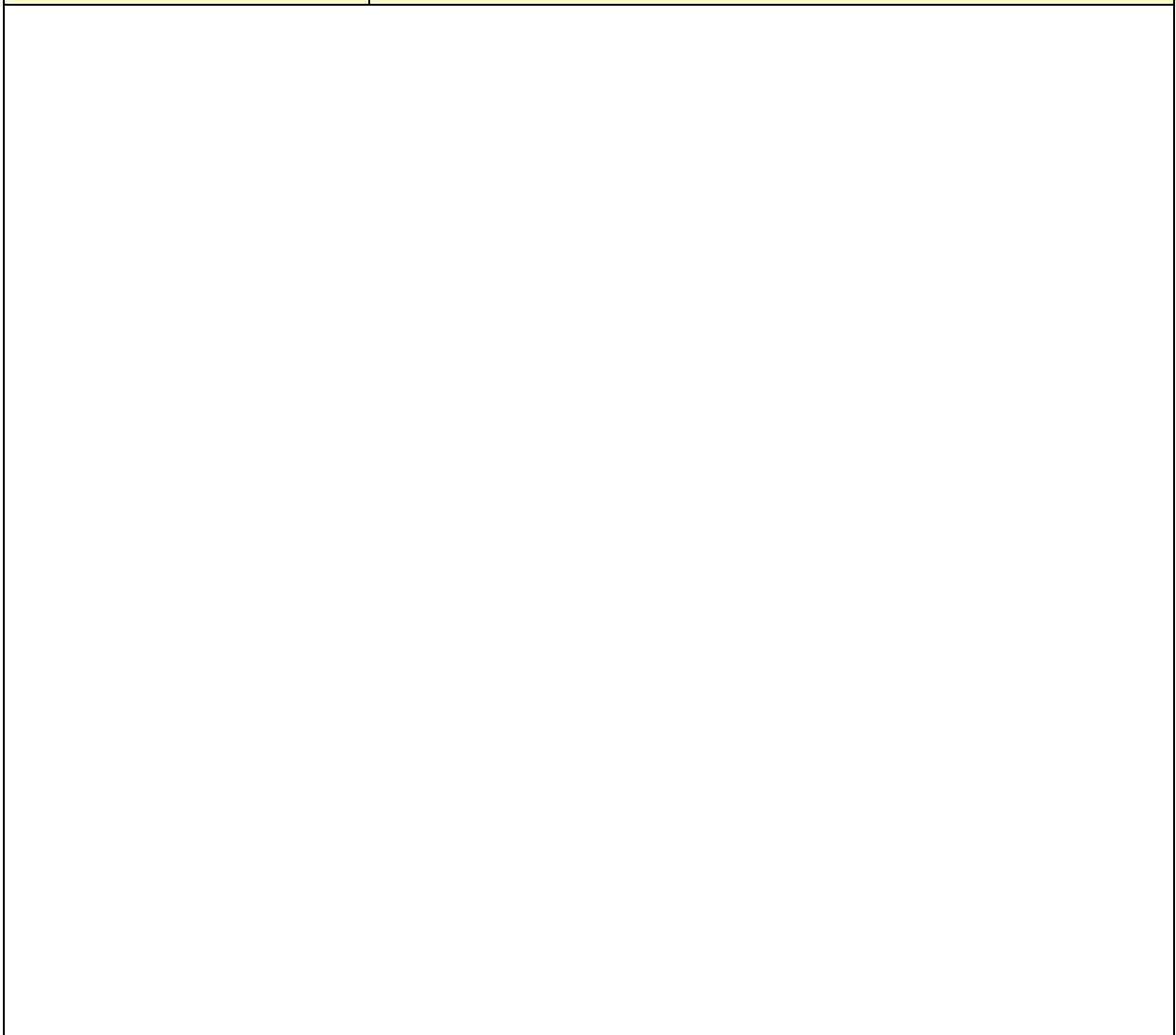
### 2.5 Elements used in the Calculated Value of the Building Replacement

The calculated value of the building comprises of several elements:

- ✓ Present Building Costs.
- ✓ Allowance for Cost Escalation during the lead time of planning, calling tenders, and fitout.
- ✓ Professional Fees.
- ✓ Removal of Debris.
- ✓ Cost Escalation in the likely time lapse between the anniversary date and the date of any happening.

2.6 Valuation	
Replacement Building and Improvements Cost:	\$9,377,000
Allowance for Cost Escalation:	
Design and Documentation: 6 Months	
Calling Tenders and Appraisals: 6 Months	
Construction Period and Fit-out: 12 Months	
Calculated at 5% over the period	\$469,000
Progressive Subtotal:	\$9,846,000
Professional Fees:	\$975,000
Progressive Subtotal:	\$10,821,000
Removal of Debris:	\$390,727
Progressive Subtotal:	\$11,211,727
Cost Escalation:	\$561,000
Progressive Subtotal:	\$11,772,727
GST Component:	\$1,177,273
Recommended Insured Value:	\$12,950,000
<p>An Allowance for the <b>Loss of Rent and Emergency Accommodation</b> has been made for a 104 Week Period is to the Value of <b>\$1,209,000</b>.</p>	

**2.7 Site Location Map**



## SECTION 3 – REPORT NOTES

### 1.0 SITE FACTORS

The building is sited on, what appears to be a reasonably well drained block of land.

Easy pedestrian and vehicular access was available.

### 2.0 ADDITIONS & IMPROVEMENTS

### 3.0 MAINTENANCE

Generally, the building appears to have been reasonably well maintained.

### 4.0 SAFETY SWITCH

When a safety switch is present, it would be prudent to consult a licensed electrician to ensure that the unit has been installed correctly and is functioning to specification, with testing records on site.

## 5. SUMMARY OF CONSTRUCTION

### 5.1 PRIMARY METHOD OF CONSTRUCTION

#### 5.1.1 WALL STRUCTURE

EXTERNAL WALL CONSTRUCTION: *Rendered Concrete.*

EXTERNAL WALL FINISHES: *Rendered Concrete.*

#### 5.1.2 ROOF STRUCTURE

ROOF CONSTRUCTION: *Concrete.*

ROOFING: *Membrane.*

#### 5.1.3 DRIVEWAY STRUCTURE

DRIVEWAY CONSTRUCTION: *Concrete.*

#### 5.1.4 FENCING STRUCTURE

FENCE CONSTRUCTION: *Brick*

## 6. READILY ACCESSIBLE AREA INSPECTED

The inspection covered the Readily Accessible Areas of the property including:

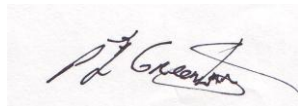
Building Exterior     Roof Exterior

Driveway Areas     The grounds including, landscaping, retaining walls, fences within the property boundaries.

The inspection did not include areas which were inaccessible, not readily accessible or obstructed at the time of inspection. Obstructions are defined as any condition or physical limitation which inhibits or prevents inspection of the property.

## 7. REPORT NOTES

1. This Inspection Report does not include the inspection and assessment of items or matters outside the scope of the requested inspection and report. Other items or matters may be the subject of an Inspection Report which is adequately specified.
2. The report is designed to be published only by the Scheme Manager to unit owners and the respective insurance company.
3. The report does not carry the right of other publication, with exception for the above, without written consent of the building inspector.
4. This report is not an engineering survey of improvements or status of the building and its contents.
5. This report is only for insurance replacement purposes, and not an evaluation of the market value of the property.
6. Structural or ground improvements to exclusive use areas are the responsibility of the owners and should be insured by the relevant owner.



COMPILED BY: Peter Greenham

Peter Greenham's Qualifications include:

Associate Diploma (Laboratory Operations), Diploma (Civil Engineering),

Diploma (Quality Management), Diploma (Business), Diploma (Training and Assessment), Diploma (Laboratory Technology), Lead Environmental Auditor, National Association of Testing Authorities Technical Assessor for Construction Materials. Member of the Australian Organisation for Quality.

## SECTION 4 – SITE PHOTOGRAPHS





## **GENERAL CONDITIONS OF ENGAGEMENT**

### **1 CONSULTANT'S RESPONSIBILITIES AND OBLIGATIONS**

1.2 Independent Inspections Pty Ltd ("Consultant") will:

- (a) perform the services ("Services") which it has agreed to perform for its client ("Client") including any variations with due care, skill and diligence;
- (b) comply with the requirements of all legislation, statutory instruments, codes and mandatory standards applicable to the performance of the Services; and
- (c) perform the Services in a timely manner or within an agreed program for the commencement and completion of the Services to the extent that it is within the Consultant's reasonable control to do so.

### **2 PAYMENT**

2.1 The Client will pay to the Consultant the agreed fee for the performance of the Services plus related disbursements. If no fee or basis for calculating the fee has been agreed, then the Consultant is entitled to be paid a reasonable fee taking into consideration the Consultant's Schedule of Hourly Rates, By Category, For Fees on a Time Basis, current at the time the Services are performed, a copy of which shall be provided by the Consultant to the Client upon request.

2.2 Tax invoices issued by the Consultant for payment for the Services performed must be paid by the Client within 14 days of receipt, unless otherwise agreed.

2.3 If the Consultant's fees exclude any goods and services tax or the like tax ("GST"), the Client shall also pay to the Consultant the GST applicable to those fees.

2.4 Late payment of fees shall constitute a default and the client shall be a default interest on overdue amounts from the date of payment at a rate of 10% of the amount due each 7 days overdue.

### **3 VARIATIONS/DOCUMENTS**

3.1 The Consultant shall be entitled to be paid a reasonable fee or compensation (including related costs, expenses, loss or damage) for any change required or performed to the Services, unless it is due to a default of the Consultant, as well as a reasonable extension of time to complete the Services as a consequence of the change.

### **4 CLIENT'S RESPONSIBILITIES AND OBLIGATIONS**

4.1 The Client agrees prior to placing the order that they have read and agreed to the conditions of engagement and by the placement of the order by phone, fax or email is liable for charges incurred.

4.2 The Client will provide the Consultant with all relevant information and documents relating to the Client's requirements;

4.3 promptly and satisfactorily answer all reasonable enquiries and furnish information requested by the Consultant;

4.4 take all reasonable steps to avoid doing or omitting anything which may delay the Consultant in performing the Services;

4.5 bear the costs of all fees and charges in connection with the performance of the Services including those associated with complying with statutory and regulatory requirements such as permit or approval fees; and

4.6 discharge its obligations reasonably and in good faith.

4.7 An instruction by the Client to vary anything in drawings, specifications or other documents issued previously by the Consultant and complying with this Agreement or where amendments to such documents become necessary or desirable because of circumstances beyond the reasonable control of the Consultant, such instructions or amendments shall be considered to be a change to the Services.

4.8 The Client accepts the risk of using drawings, specifications, reports or any other documents issued by the Consultant in electronic form without requesting and checking them for accuracy against an original hard copy version.

### **5 DELAY AND EXTENSION OF TIME**

5.1 The Consultant will be entitled to a reasonable extension of time for the performance of the Services if the Consultant is delayed in performing the Services by an act, omission or event beyond the reasonable control of the Consultant.

5.2 If the Consultant is delayed in performing the Services by the Client or its contractors or agents, the Client will pay to the Consultant such costs, expenses, loss or damage incurred by the Consultant or for which the Consultant is liable due to the delay.

### **6 TERMINATION AND SUSPENSION OF SERVICES**

6.1 Where either party commits a breach of this Agreement, the other party may give the defaulting party written notice specifying the breach and the period for its rectification, which shall not be less than 14 days from the date of service of the notice. If the defaulting party fails to rectify the breach within the period specified in the notice, the other party may, without further notice, suspend or terminate this Agreement.

6.2 Either party may suspend or terminate this Agreement by written notice to the other party:

(a) Where a party, in the reasonable opinion of the other party suffers or may potentially suffer an adverse or potentially adverse alteration in its financial capacity to function as a solvent business or entity

(b) In the event of any occurrence or threat made by anyone in that is connected with Terrorism or War and in connection with this Agreement.

### **7 LIABILITY**

7.1 The Consultant accepts responsibility for the performance or non-performance of the Services to the extent provided in this Agreement.

7.2 Consultant shall have no liability to the Client for or in connection with any indirect, economic, special or consequential loss or damage including without limitation; loss of actual or anticipated profit or revenue, business interruption or shutdown, loss of production, delay costs, loss of opportunity, income or rent, financing and holding costs in connection with the Services.

7.3 Notwithstanding any other provision of this Agreement,

(a) to the extent permissible by law, the Consultant will only be liable to the Client whether under contract, in tort, under statute or otherwise for any loss, damage or injury to the extent and in the proportion to which such loss, damage or injury is caused by the fault of the Consultant; and

(b) unless the Consultant's liability is limited under subclause 7.4, the Consultant's aggregate liability to the Client arising out of the performance or non performance of the Services, whether under the law of contract, tort (including negligence), statute or otherwise, shall be limited to the extent permissible by law to the fee payable to the Consultant under this Agreement (excluding GST and reimbursable expenses) or \$100,000, whichever is the lesser.

7.4 This subclause 7.4 only applies if the law governing this Agreement is that of an Australian State or Territory and/or the Commonwealth of Australia. The liability of the Consultant for breach of any term, condition or warranty under or implied by the Trade Practices Act 1974 ("Act") shall be limited, at the option of the Consultant, and to the extent permitted by the Act, to:

(i) the supplying of the Services again; or

(ii) the payment of the cost of having the Services supplied again.

7.5 Any liability which the Consultant may have in connection with the Services, whether under the law of contract, tort (including negligence), statute or otherwise, shall be deemed to have been discharged at the expiration of 2 years from the completion of the Services and the Client is thereafter barred from commencing any action or making any claims against the Consultant in connection with the Services, unless legal proceedings are issued and the associated formal documentation served upon the Consultant within that period.

## **8 ASBESTOS, MOULD & TERRORISM**

8.1 Notwithstanding anything else in this Agreement or any document or representations made by anyone and to the extent permitted by law, the Consultant shall not be liable or held responsible whether under the law of contract, tort (including negligence), statute or otherwise for any loss, damage, cost or expense of whatsoever nature (including personal injury and death) directly or indirectly caused by, resulting from, based upon, attributable to, in consequence of or in connection with asbestos or Mould or any act of Terrorism or War regardless of any other cause or event contributing concurrently or in any other sequence.

8.2 The Client releases the Consultant from all causes of action, proceedings, claims, demands, liabilities or rights which the Client has or may have had but for subclause 8.1 above and this subclause 8.2 and is barred from commencing any proceedings against the Consultant for any loss or damage caused by anything in connection with asbestos, Mould, Terrorism or War.

8.3 For the purposes of this clause:

(a) "Mould" means fungi, moulds, spores or mycotoxins of any kind;

(b) "Terrorism" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear; and

(c) "War" means war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition of, or damage to, property by or under the order of any government or public local authority.

## **9 MISCELLANEOUS**

9.1 If the Consultant began to perform the Services before this Agreement was agreed to by all the parties, the terms of this Agreement shall apply retrospectively from when the Services began to be performed.

9.2 If the whole or any part of a clause in this Agreement is unenforceable for any reason, it shall be severed from this Agreement so that the remaining part of the clause or Agreement continues to operate as if the severed part had never been included in this Agreement.

9.3 Any conditions identified as Special Conditions shall take precedence over any other clause in this Agreement.

9.4 The Agreement shall be governed and construed in accordance with the laws of the Country, State or Territory where the majority of the Services are performed.

9.5 The Consultant shall retain copyright of all the intellectual property prepared by the Consultant. The Client shall be entitled to use them or copy them only for the works and the purpose for which they were intended. The ownership of data and factual information collected by the Consultant and paid for by the client shall, after payment by the Client, lie with the Client. The Client may reproduce drawings, specifications and other documents in which the Consultant has copyright, as reasonably required in connection with the project but not otherwise. The Client shall have no right to use any of these documents where any or all of the fees and expenses payable to the Consultant have not been paid in accordance with this agreement.