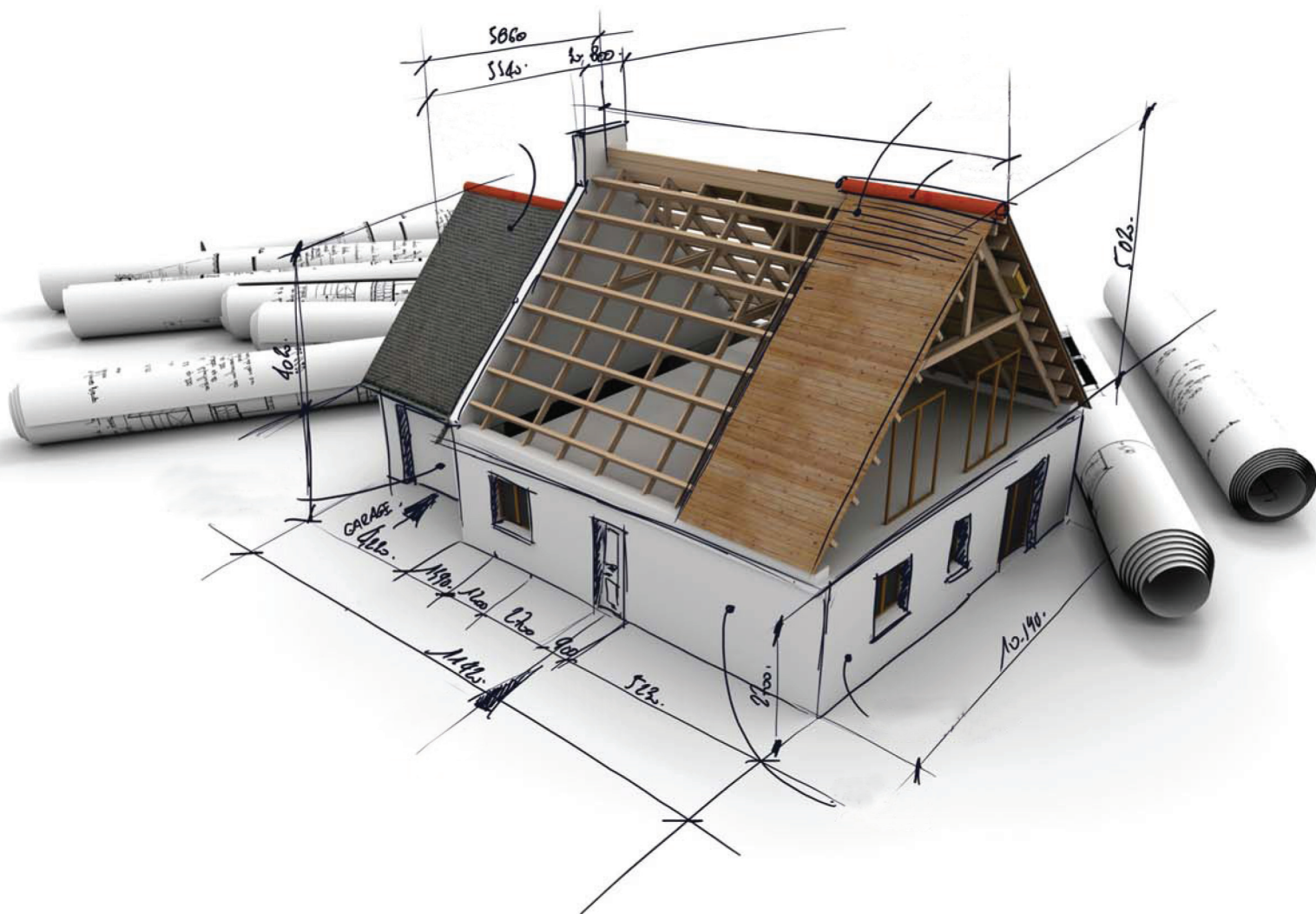


# Are you fully insured?

*Guide to house rebuilding costs*

2013



## Introduction

This guide is intended to assist you in insuring your home and briefly explains some of the more important aspects of house insurance. It also seeks to emphasise the importance of adequately insuring what is probably your most valuable possession. Remember that home insurance policies differ, some covering more than others; hence the importance of examining your policy carefully and insuring for the correct amount.

## Guideline Costs

The rates included in this guide are a guideline to the MINIMUM value for which you should insure the structure of your house.

Applying these rates to the area of your house will give you a base cost, which you should add to in order to cover other costs, such as boundary walls, garages, fitted kitchens, etc.

The insurance value for houses varies greatly depending on the type of house, i.e., Georgian, modern, with or without basement, etc.

The costs in this guide are intended to cover typical, speculatively built estate-type houses in Dublin, Cork, Galway, Waterford, Limerick and the North West and North East regions which were built since the 1960s.

If you have another type of house, for instance a Georgian, Victorian or passive house, the costs in this guide will not be appropriate to adequately insure your house. If you have a house of this more unusual type, you should have a reinstatement cost assessment carried out by a Chartered Quantity Surveyor.

The costs are calculated on a total loss situation, i.e., the house has been totally destroyed and has to be demolished and totally rebuilt. In addition to demolition and reconstruction, the costs also allow for Building Surveyors'/Architects'/Quantity Surveyors' fees, and for Value Added Tax (VAT) at the correct rates at the time of printing this guide.

The costs do not include any allowance for contents such as carpets, curtains, loose furniture and domestic appliances. A separate insurance policy for contents is required. This guide should not be used for assessing liability for property tax.

## Market Value

It is sometimes thought that the market value of the house, in other words the price achieved when the property is sold on the open market, is the value for which the property should be insured. This is, however, irrelevant as the market value of a property generally has little relationship to the reinstatement value.

### IMPORTANT ASPECTS OF HOUSE INSURANCE POLICIES

## The Average Clause

Unless your property is insured adequately, you may be penalised under your policy by having to pay a certain proportion of the reinstatement costs. It is therefore extremely important to have the property sufficiently insured. Where, for example, the insured sum is only 75% of the total reinstatement cost, you will only receive 75% of the agreed cost of reinstatement, whether the claim is made for partial replacement or total loss.

For example, in the case of a house insured for €270,000, where the total reinstatement cost was €360,000, the insured party would receive only €270,000 to reinstate the house in the event of the total loss. The insured party would thus be obliged to provide the balance of €90,000.

Similarly if there is a partial loss, which costs €60,000 to repair, the insured party would only receive

$$\begin{aligned} &€270,000 \\ &€360,000 \quad X \quad €60,000 = €45,000 \end{aligned}$$

and would have to provide the balance of €15,000.

## Reinstatement

Most insurance is intended to leave you in substantially the same position after the damage as before. Therefore, in order to avoid problems with deductions for wear and tear, you should make sure that your policy includes cover for full reinstatement, or "new for old".

## How to use the tables

- If your house conforms to the standard types in the included table of costs, you can use the following method to give a broad indication as to the amount for which you should insure.
- Using the table of costs, the exercise is a simple matter. You should calculate the total floor area of your house by measuring the internal length and breadth of the house and multiplying these measurements together.
- Normally the upper floor is the same size as the ground floor. However, if it is different you should calculate each area separately. The area of the ground and upper floors should be added to give the total floor area of the house.
- Consult the table of costs and choose the appropriate rebuilding cost figure (two-bed terrace, three-bed semi, etc.). Multiply the total floor area by the cost figure and add for the cost of a garage if applicable.
- You should add for higher than average kitchen fittings, built-in wardrobes, finishes, etc if appropriate. You should also add for security alarms, and for any outbuildings, walls etc.

## Annual Renewal

It is essential that you re-assess your level of cover every year, based on current rebuilding costs, making allowance for any improvements or extensions that you may have made since your last renewal date.

## Building Regulations

The reinstatement costs outlined will cover the cost of rebuilding your home in compliance with current building regulations.

In case of doubt concerning any aspect of your policy, you should contact your insurance company or broker.

## TABLE OF COSTS MARCH 2013

House type	No. of bedrooms	Typical size	DUBLIN AREA Rebuilding cost	CORK AREA Rebuilding cost	GALWAY AREA Rebuilding cost	WATERFORD AREA Rebuilding cost	LIMERICK AREA Rebuilding cost	NORTH WEST AREA Rebuilding cost	NORTH EAST AREA Rebuilding cost
Terraced	2	70 sq m	€1,829 sq m	€1,424 sq m	€1,396 sq m	€1,395 sq m	€1,417 sq m	€1,277 sq m	€1,524 sq m
		(753 sq ft)	€170 sq ft	€132 sq ft	€130 sq ft	€130 sq ft	€132 sq ft	€119 sq ft	€142 sq ft
	3	95 sq m	€1,752 sq m	€1,340 sq m	€1,315 sq m	€1,325 sq m	€1,337 sq m	€1,203 sq m	€1,438 sq m
		(1,023 sq ft)	€163 sq ft	€125 sq ft	€122 sq ft	€123 sq ft	€124 sq ft	€112 sq ft	€134 sq ft
Semi-detached	3	95 sq m	€1,768 sq m	€1,362 sq m	€1,339 sq m	€1,339 sq m	€1,344 sq m	€1,213 sq m	€1,519 sq m
		(1,023 sq ft)	€164 sq ft	€127 sq ft	€124 sq ft	€124 sq ft	€125 sq ft	€113 sq ft	€141 sq ft
	4	118 sq m	€1,748 sq m	€1,342 sq m	€1,323 sq m	€1,317 sq m	€1,300 sq m	€1,199 sq m	€1,401 sq m
		(1,270 sq ft)	€162 sq ft	€125 sq ft	€123 sq ft	€122 sq ft	€121 sq ft	€111 sq ft	€130 sq ft
Detached	4	118 sq m	€1,778 sq m	€1,365 sq m	€1,328 sq m	€1,359 sq m	€1,359 sq m	€1,201 sq m	€1,469 sq m
		(1,270 sq ft)	€165 sq ft	€127 sq ft	€123 sq ft	€126 sq ft	€126 sq ft	€112 sq ft	€136 sq ft
Detached Bungalow	4	146 sq m	€1,714 sq m	€1,339 sq m	€1,291 sq m	€1,276 sq m	€1,375 sq m	€1,167 sq m	€1,425 sq m
		(1,572 sq ft)	€159 sq ft	€124 sq ft	€120 sq ft	€119 sq ft	€128 sq ft	€108 sq ft	€132 sq ft

Garage: Total rebuilding costs range from €13,730 for a single attached garage to €24,646 for a double attached garage.

This table is a guideline based on a typical speculatively built, estate-type house in the Dublin, Cork, Galway, Waterford, Limerick, North West and North East regions. These figures are March 2013 figures. See important notes below.

- The figures shown in the table are a MINIMUM base cost guide for your house insurance.
- The figures are based on estate-type houses built in the Dublin, Cork, Galway, Waterford, Limerick and North West and North East regions since the 1960s.  
They exclude: (a) properties with more than two storeys or with basements; (b) 'one-off' houses with special design features or period houses; and, (c) apartments/residential flats. The insurance of apartments is covered in the block service charge. Owners should confirm with their management companies/agents that their apartment block has been valued for insurance purposes, and that the insured value is current.
- The figures assume a basic quality specification with normal foundations, timber frames or brick/block walls, concrete tiled roof, concrete ground floor and timber first floor, softwood flush doors and hardwood double glazed windows, painted plaster to walls, plastered ceilings, standard electrics and central heating. The sum insured should be increased to allow for better than average kitchen fittings, built-in wardrobes, finishes and any other items not normally included in an estate-type house.
- House contents such as carpets, curtains, furniture, etc., are not covered by the figures.
- No allowance has been made for the cost of outbuildings or patios.  
The figures do, however, allow for a concrete path around the house, for driveway repairs and regrassing and fencing.
- The figures allow for demolition costs, professional fees incurred in reinstatement and VAT at 13.5% on building costs and 23% on professional fees.
- The amounts included for professional fees have been calculated to cover the following services:  
Building Surveyor/Architect: prepare working drawings and specification, and administer the building contract.  
Chartered Quantity Surveyor: invite and examine tenders, process payments and agree final account.  
Engineer: advice on structural issues.  
Fees associated with the preparation.
- The costs are based on building rates in March 2013.

### CALCULATING YOUR REBUILDING COSTS

#### Internal area of your house

Ground floor	=	
First floor	=	_____
<b>Total</b>	=	<b>A</b>

Rebuilding cost = € B  
(see chart)

Multiply A x B = € C

Add for garage (see table) € D

Add for higher than average kitchen fittings € E

Add for built-in wardrobes, etc. € F

Add for special finishes (e.g., hardwood timber floors) € G

Add for rebuilding any outbuildings € H

Add for any other items which are not covered (e.g., disabled access ramp or systems, etc) € I

**Total (Add C-J)** € \_\_\_\_\_

**Dating back to 1895, the Society of Chartered Surveyors Ireland is the independent professional body for Chartered Surveyors working and practicing in Ireland.**

Working in **partnership with RICS**, the pre-eminent Chartered professional body for the **construction, land** and **property** sectors around the world, the Society and RICS act in the public interest: setting and maintaining the **highest standards of competence and integrity** among the profession; and providing **impartial, authoritative** advice on key issues for business, society and governments worldwide.

**Advancing standards** in construction, land and property, the Chartered Surveyor professional qualification is the **world's leading qualification** when it comes to professional standards. In a world where more and more people, governments, banks and commercial organisations demand greater certainty of professional standards and ethics, attaining the Chartered Surveyor qualification is the recognised mark of **property professionalism**.

Members of the profession are typically employed in the construction, land and property markets through private practice, in central and local government, in state agencies, in academic institutions, in business organisations and in non-governmental organisations.

**Members' services** are diverse and can include offering strategic advice on the economics, valuation, law, technology, finance and management in all aspects of the construction, land and property industry.

All aspects of the profession, from **education** through to **qualification** and the continuing **maintenance of the highest professional standards** are **regulated** and overseen through the partnership of the Society of Chartered Surveyors Ireland and RICS, in the public interest.

This valuable partnership with RICS enables access to a worldwide network of **research, experience** and **advice**.

## Society of Chartered Surveyors Ireland

38 Merrion Square, Dublin 2, Ireland

Tel: + 353 (0)1 644 5500 F: +353 1 661 1797

Email: [info@scsi.ie](mailto:info@scsi.ie) [www.scsi.ie](http://www.scsi.ie)

**NOTE** This leaflet was prepared by the Quantity Surveyors Professional Group of the Society of Chartered Surveyors Ireland in conjunction with the Young Members Committee. Whilst every effort has been made to ensure the accuracy of the information contained in this publication, the Society of Chartered Surveyors Ireland does not accept liability of any kind in respect of, or arising out of, the information, or any error therein, or the reliance any person may place therein.

Copyright © The Society of Chartered Surveyors Ireland 2013

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means without the prior permission of the Society of Chartered Surveyors Ireland.



**RICS**

the mark of  
property  
professionalism  
worldwide