

Replacement Cost Estimate (RCE) Report

An RCE is an estimate of what it would cost to replace a particular residential building in today's economic climate. An RCE for a particular residential building will provide the owner with an up-to-date replacement cost of their building for insurance purposes.

It is imperative that all buildings are adequately insured should an insurance claim need to be lodged.

What are the dangers of an outdated or incorrect RCE for a building?

1. If the replacement value of a residential building for insurance purposes is understated, the owner runs the risk of significant losses in the event of a major disaster, such as fire, earthquake or flood.
2. Even in the case of a partial loss, if a building is underinsured, the insurer may not pay out the full value of the loss, even though it may be lower than the insured amount. In this case, the building owner would need to meet the shortfall.
3. If the replacement value of a building is overstated, the owner will incur additional (and unnecessary) insurance premiums.

When determining the replacement cost of a residential building, many issues need to be considered, including but not limited to:

- ◆ Demolition and removal of debris and asbestos, and the associated consultant fees;
- ◆ The cost of constructing the building considering current planning constraints and building codes;
- ◆ Consultants fees and all preliminaries; and
- ◆ Cost Escalations for:
 - Assessment of damage and claim finalisation;
 - Lead time of planning;
 - Design and documentation;
 - Calling of tenders and tender evaluation;
 - Construction and fit out period; and
 - Time lapse between policy renewal dates.

Replacement Cost Estimate Report.....\$640 incl. GST

Replacement Cost Estimate (RCE) Fees

Residential RCEs will be prepared at a discounted rate of \$640 (GST inclusive) for NTAA members. The normal fee charged for these reports is \$715 (GST inclusive).

However, when ordered with a Rental Property Depreciation Report (RPDR), residential RCEs will be prepared at a discounted rate of \$330 (GST inclusive). The normal fee charged when ordered with a RPDR is \$440 (GST inclusive).

Information required to complete an RCE Report

We require the following information:

- ◆ Client's/building owner's details;
- ◆ Basic description of the property;
- ◆ Address of the property;
- ◆ Access details (who we contact to organise a site inspection); and
- ◆ Floor plans (if available).

How to order an RCE Report

If an RCE is being ordered stand alone, please complete and send us this order form. If instead, an RCE is being ordered together with a RPDR, the order for the RCE together with payment should be made on the RPDR order form.

Once the order form is received by us, a BMT representative will call the nominated contact within 5 days to set up a convenient time for an on-site inspection!

Simply complete the order form and then:

- ◆ fax it through to our office on **(03) 9686 4744**; or
- ◆ post the order form to our office at **29-33 Palmerston Crescent, South Melbourne, VIC 3205**



A service endorsed by:



Replacement Cost Estimate (RCE)

PLEASE COMPLETE ALL DETAILS ON THIS ORDER FORM IN BLOCK LETTERS

Person ordering RCE Report

NTAA Member name (compulsory).....

NTAA Firm name Member number (compulsory).....

Contact number (NTAA Member) Contact number (Client).....

Please tick here if you would like the report emailed

Email address.....

Name(s) the report is to be made in

Postal address

.....

.....

..... Postcode.....

Number of dwellings for which RCE is being ordered:

(If there is more than 1 dwelling, please provide Investment Property Details for each dwelling)

Information Required

Description of the property

Address of the property

..... Postcode.....

Contact name for property access (agent/tenant) Phone.....

Client's/Building owner's details:

Name

Address of the property

.....

.....

..... Postcode.....

If available, please forward copies of: floor plan/strata plan.

*BMT & ASSOC Pty Ltd have undertaken to deliver an RCE within 10 working days of ordering.
This service is being referred through C.A. Network Pty Ltd ("CAN") ACN: 070 981 181, ABN: 68 070 981 181 (a wholly owned subsidiary of the NTAA) as agent for BMT & ASSOC Pty Ltd as principal supplying the service.

A service endorsed by:



Replacement Cost Estimate (RCE)

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Acknowledgment

In placing this order, I (the person ordering who has signed below), hereby acknowledge for myself and as agent on behalf of my client, that:

- 1 It is my sole responsibility to ensure that the order form is complete and correct in every material respect.
- 2 If a new Replacement Cost Estimate and any ancillary information ("the Report") from BMT & ASSOC Pty Ltd ("BMT") has to be prepared as a result of errors or omissions in the Order Form, or further work is required to fix the Report, a further fee will be payable.
- 3 The Report prepared by BMT is to be based solely on the instructions contained in this Order Form.
- 4 CAN acts merely as an agent for BMT in passing this order to BMT. CAN or an associate receives a financial benefit for acting as agent for BMT.
- 5 Neither CAN nor the NTAA carries out any work or professional services in relation to the preparation or completion of the Report.
- 6 BMT is solely responsible and liable for any neglect or default in or under the Report.
- 7 Neither the NTAA nor CAN has any liability to you or your client for any error or omission in the Report nor any neglect or default in its preparation or completion arising from this Order.
- 8 Despite the above, should the NTAA or CAN be held liable or responsible in whole or in part for an error or omission in the Report or any neglect or default in its preparation or completion, the liability of the NTAA or CAN for it will not exceed \$25.00 in total.

Signature of person ordering

.....Date.....

If you have any queries please contact CAN c/- NTAA on 1800 808 105.

Payment details to C. A. Network Pty Ltd

Please provide credit card details for payment of **\$640** (including GST) x **number of dwellings**

Mastercard Visa

Unfortunately American Express and Diners payment options are not available on this product

Name on Card.....

Credit Card No.....

Expiry Date Signature

For payment enquiries, the NTAA should contact: (name of payee)

If you have any queries please contact CAN c/- NTAA on 1800 808 105.

Fax credit card details to CAN c/- NTAA on (03) 9686-4744	Post to CAN c/- NTAA, 29 Palmerston Cres., South Melbourne, 3205	If you have any other queries please call (03) 9209-9999

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