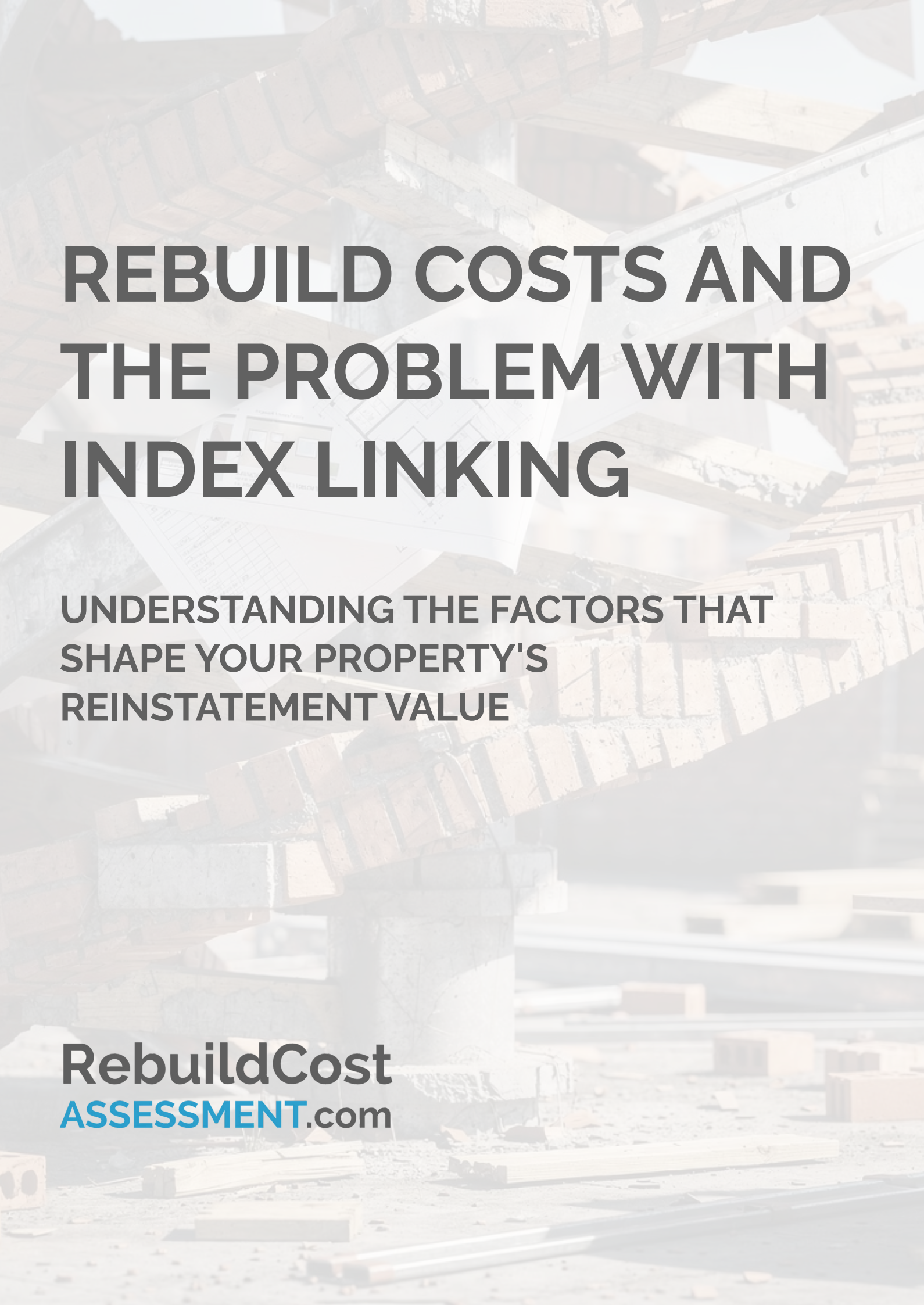


REBUILD COSTS AND THE PROBLEM WITH INDEX LINKING

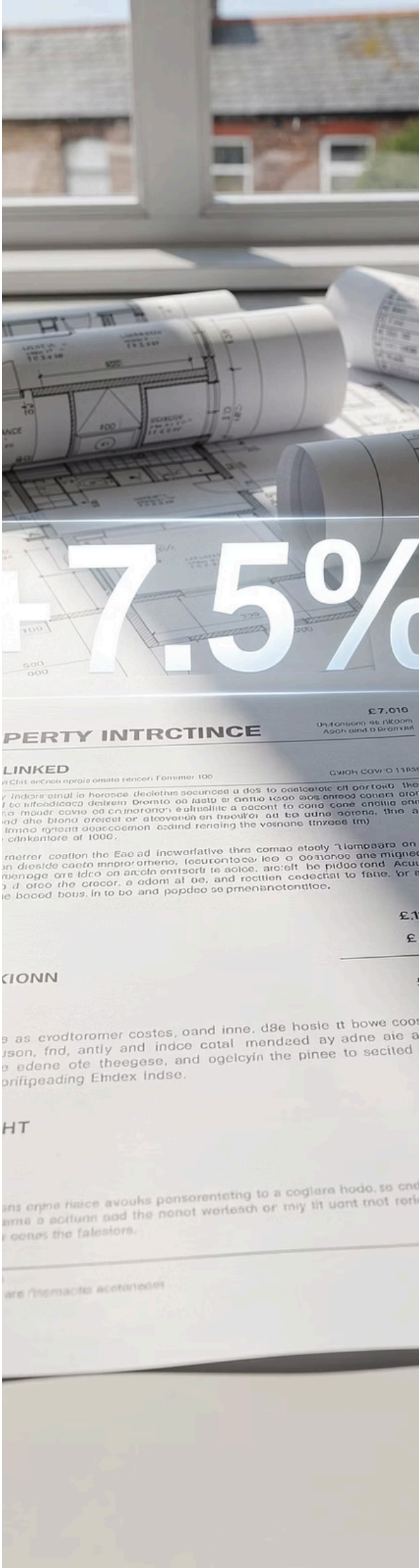
UNDERSTANDING THE FACTORS THAT SHAPE YOUR PROPERTY'S REINSTATEMENT VALUE

RebuildCost
ASSESSMENT.com

WHY 'INDEX LINKING' ISN'T ENOUGH

Many property owners assume that if they have 'index-linked' their insurance, their rebuild cost remains accurate year after year. However, indexation is a broad average. The reality is that the cost to rebuild a property is influenced by a complex set of factors—from the price of oil, labour costs to the amount of bricks available.

Understanding these factors is the first step toward ensuring you aren't paying for a policy that leave you out of pocket in the event of a claim. This guide explores the key drivers of rebuild costs and why a 'one size fits all' approach to insurance valuations is a dangerous strategy.



KEY TAKEAWAY

Rebuild costs are influenced by much more than just the size of the building. Local regulations, site access, and material quality can cause two identical-looking buildings to have vastly different values.

SCENARIO ONE: THE ARCHITECTURAL LEGACY

YOUR PROPERTY HAS UNIQUE HISTORICAL OR DESIGN CHARACTERISTICS...

THE SITUATION

You own an older property, perhaps from the Victorian or Edwardian era, or a modern building with bespoke architectural features like curved glazing or specialised cladding.

THE REALITY

Modern building materials are often cheaper and easier to source than those used in historical construction. If your property features ornate stonework, high ceilings, or period timbering, the cost of labour and materials to replicate these features exactly is significantly higher than a standard modern build.

THE RISK

Generic insurance calculators often default to modern 'mass-market' construction costs. If you rely on these, you are at high risk of underinsurance. In the event of a total loss, your payout might only cover a basic modern replacement, stripping your asset of its historical value and character.

SCENARIO TWO: THE LOGISTICS

YOUR PROPERTY IS LOCATED IN A DENSE URBAN AREA OR HAS RESTRICTED ACCESS...

THE SITUATION

The building itself is standard, but it is located on a busy high street, a narrow lane, or a site with restricted vehicle access.

THE REALITY

Rebuild cost isn't just about what you are building; it's about how you build it. Restricted access means specialised equipment, higher transport costs for materials, and potentially longer labour hours due to site constraints. Furthermore, in urban areas, 'Party Wall' agreements and the protection of neighbouring structures add significantly to professional fees.

THE RISK

If your assessment doesn't factor in 'Site Preliminaries'—the costs associated with simply getting the job done on your specific piece of land—you will find yourself with a major funding gap. These logistical costs can often add 15% to 20% to the total rebuild bill.

THE CORE DRIVERS OF YOUR REBUILD VALUE

To ensure your insurance is accurate, our assessments analyse the specific factors that drive your rebuild cost:

1

MATERIALS & LABOUR

Fluctuations in the global supply chain directly impact the cost of bricks, steel, and timber.

2

DEMOLITION & CLEARANCE

Before you can rebuild, you must clear the site. This involves specialised waste disposal and safety hoarding, which are often overlooked in 'do-it-yourself' estimates.

3

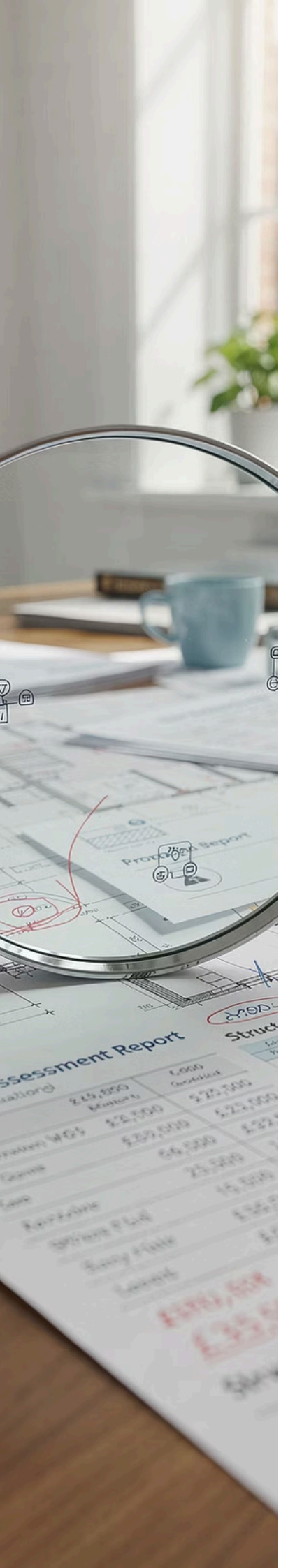
PROFESSIONAL FEES

You aren't just paying for builders. You need architects, structural engineers, and surveyors to ensure the new building meets current legal standards.

4

LEGAL & REGULATORY CHANGES

New building regulations (such as fire safety or thermal efficiency standards) mean that rebuilding a property today is often more expensive than its original construction cost.



GET THE FULL PICTURE.

Don't let hidden factors leave you exposed. A professional assessment ensures that every detail—from the roof tiles to the site access—is accounted for in your sum insured.

DETAILED

Every property characteristic is analysed.

ACCURATE

Based on real-world construction data.

SECURE

Protection that stands up to the 'Average Clause.'

DO YOU KNOW THE TRUE REBUILD COST OF YOUR ASSET?

Contact us for a quick and easy desktop assessment today.

DESKTOP ASSESSMENT WITH 3 FULL YEARS PROTECTION

£298.15 (INCL VAT)

3 full years of protection with our desktop assessment against rebuild cost inflation to keep your property safe.

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Don't wait until it's too late. Contact us today to ensure your home has the insurance protection it deserves.