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# Insurance Valuations for Blocks of Flats

Our panel of Insurers require you to insure your buildings for an amount equal to the total rebuilding costs, at inception of the policy this is called the declared value. The rebuilding cost is different to the combined market value of each flat, this is a frequent mistake which can have a detrimental effect in the event of a loss.

As a broker we recommend that you have your buildings professionally assessed every 3 - 5 years to ensure your declared value is adequate, to avoid any liability to you.

Each year the Insurers on our panel will index link the declared value which can vary between providers. As a result of this automatic increase, over time, your total rebuild sum may vary somewhat from the true buildings valuation. (Over a period of time it is not uncommon to see differences of 20%+).

## WHAT SHOULD BE INCLUDED WHEN CALCULATING THE 'BUILDINGS DECLARED VALUE'?

All Insurers have different policy wordings and these vary in detail and therefore the points below are for guidance only.

It is not just the rebuilding of the main structure you need to consider, you also need to take into account the permanent fixtures and fittings and consider additional allowances for items such as:

- Outbuildings such as garages, bin sheds and bicycle / storage sheds
- All roads, paths and landscaping – these will need to be within the boundaries of your property or for which you are responsible
- Underground pipes and sewers for which the insured is responsible
- Communal Contents
- Leaseholder Improvements to their own flats
- Professional fees such as architects, surveyors and engineers
- VAT – generally new build properties are not subject to VAT, however repairs are, therefore VAT should be included in the valuation where applicable.

If at any stage during the life of the policy any building improvements are carried out, this could alter the costs of your rebuild valuations. Therefore we would recommend that a new survey be carried out and that you notify the broker immediately of any changes as this could result in a revised premium.

Being under-insured is not always the case. We often see that some buildings are over-insured and have been paying for more cover than what is required. We advise all of our clients that it is the insured's responsibility to provide and maintain their own declared value and not the Insurers.

