



New Surveyors guide shows house rebuild costs down by 4 to 5%

Reductions should be reflected in house insurance premiums

Wednesday 15th April 2009. A new guide to house rebuilding costs published by the Society of Chartered Surveyors shows that prices have fallen by an average of 4 to 5% across the country. The findings will be welcomed by homeowners as it should trigger a pro-rata reduction in house insurance premiums.

The SCS, the largest construction and property industry body in the country, publishes the guide to assist homeowners insure their property. The guide surveys rebuild costs for the main house types in all 5 major urban areas; Dublin, Cork, Galway, Limerick and Waterford.

The fall in rebuilding costs means that the cost of rebuilding a typical 3-bedroom 1,500 square feet house in Dublin has fallen from €306,000 or about €9 a square foot to €292,500 while the cost of rebuilding a 4-bedroom 2,000 square feet detached house in the capital has fallen from €386,000 to €368,000.

“These are very considerable potential savings for somebody who is in the unfortunate position of having to rebuild their home and we would recommend that people ensure that these lower rebuild costs are reflected in their home insurance premiums. People should shop around to make sure they benefit from these savings,” says Sean McCormack of the Society of Chartered Surveyors.

“They equally apply to people planning to build their own home. Building costs have come down sharply and, just as prices for older house have fallen over the past year, so also should the cost of building houses from the ground up,” he added.

“We would urge all property owners to go to our website www.scs.ie and calculate their rebuild costs using the SCS guide before they renew their house insurance or if they want to check they are paying the appropriate premium. A lot of people who bought their houses during the boom also paid high premiums and these findings should be a wake up call for them to check they are not over-insured”.

Not surprisingly the biggest decreases were seen in Dublin – which has the most expensive rebuild costs for all 6 house types surveyed – where falls of €8 and €9 per square foot (€90 –€100 per sq metre) were recorded.

In Limerick falls of €7 Euro per sq ft (approx €70/€80 per sq m) were recorded while both Galway and Cork saw falls of €6 or €7 per sq ft (between €60 and €70 per sq m). Operating off a generally lower base Waterford saw falls of €5 or €6 per sq ft, (between €50 and €60 per sqm).

The table attached to this press release shows the rebuilding costs for a 4 Bed semi-detached property in Co. Dublin

The SCS guide is available at www.scs.ie or free of charge by sending a stamped self-addressed envelope to the Society of Chartered Surveyors at 5 Wilton Place, Dublin 2.

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Note to Editor

Dating back to 1895 and incorporated in 1993, the Society of Chartered Surveyors is the largest body in Ireland representing both the construction and property industries. It now represents some 2,200 qualified chartered surveyors as well as more than 1,000 probationers countrywide who are undergoing their assessment of professional competence in order to achieve the gold standard of chartered status. Members of the Society are typically professionals employed in planning & development, building, rural and other specialist surveyors, as well as general practice surveyors working in the valuation area.

Example of calculating the Rebuilding Cost for a 4 Bed semi-detached property in Co. Dublin

Floor Area

| | | | | |
|--|---|---|---------|-----|
| Ground Floor Area = | | | 65 | sqm |
| First Floor Area = | | | 60 | sqm |
| Total | A | | 125 | sqm |
| Rebuilding rate for 4 Bed semi-detached house in Dublin area (see SCS table of costs chart 2009- rate = €1,921/sqm (B)) | | | | |
| Rebuilding Cost (A x B) | C | € | 240,125 | |
| Add for higher than average kitchen fittings | D | € | 5,500 | |
| Add for higher than average built-in units | E | € | 1,700 | |
| Add for special finishes (hardwood timber floors) | F | € | 1,300 | |
| Add for single car garage | G | € | 15,529 | |
| Total Rebuilding Cost 2009 (Add figures C to G) | | € | 264,154 | |
| Rebuilding cost based on 2008 figures | | € | 276,067 | |
| Average reduction of rebuilding costs compared to 2008 figures | | | -4.51% | |
| Which should translate into a saving on the renewal premium. | | | | |