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Please email all articles, letters to the editor, subscription inquiries etc. to thechronicles@shaw.ca



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1. ANNOUNCEMENT

Ron Wilkes, Editor

We are pleased to announce that Rae-Tech Investigations Ltd. are now on the world wide web. Please visit Robert at <http://tempsite.netbistro.com/raetech/>

***Editors Note:** This is a very interesting and informative site and well worth the time to peruse.*

2. THIS ABOUT SUMS IT UP

Ron Wilkes, Integral Property Loss Consultants

**Last night as I lay sleeping
I died or so it seemed,
Then I went to heaven
But only in my dream**

**Up there St Peter met me
Standing at the pearly gates,
He said "I must check your record**

Please stand here and wait.”

**He turned and said “Your record
Is covered with terrible flaws,
On earth I see you rallied
For every losing cause.”**

**I see that you drank alcohol
And smoked and used drugs too,
Fact is, you’ve done everything
A good person should never do.**

**We can’t have people like you up here
Your life was full of sin,
Then he read the last of my record
Took my hand and said “Come in.”**

**He led me up to the big boss and said
“Take her in and treat her well”,
She used to work in Insurance
She’s done her time in hell”.**

3. WHAT IS THE CORRECT VALUE OF A BUILDING?

Ron Wilkes, Integral Property Loss Consultants

It depends on the application of the value. There are three main values when referring to property values. They are *cost*, *market* and *income*.

Since 1960 natural disasters have increased by 900 per cent. This factor has greatly increased the value of property both from an occupancy and an income point of view. Loss pay outs are increasing for insurance companies. Mill rate assessments for property taxes are increasing due to losses in tax revenues. In some communities the sale price is greater than the asking price. In a recent survey conducted by the insurance industry in the U. S., property is often under valued.

Marshall and Swift, a valuation service, suggests a projected catastrophic amount be used for insurers. This is becoming popular in the U.S.

The following are cost comparisons based on a 1 ½ story, frame, 1,100 square foot residence with a partially finished basement and 2 decks, that show the disparity in “value”.

Cost (Insurance) Approach:

Reproduction Value \$ 83,300 / \$ 75 per square foot

Market (Real Estate) Approach:

Replacement Value \$ 75,300 / \$ 68 per square foot

Income (Assessed Value) Approach:

Income Value \$ 64,000 / \$ 58 per square foot

Projected Catastrophic Amount Recommended:

\$ 100,000 (Combines all policy limits.)

We frequently are requested to complete a post loss building appraisal and find more and more often that the property is under insured because the wrong value has been applied. When a catastrophe strikes, the cost of materials and labor increases therefore increasing the value is required to reflect this increased in cost. A qualified appraiser will determine the true value for the application required. In comparison for the small fee charged, an appraisal can save thousands of dollars in uninsured costs and uncollected premiums.

4. WHY IS A BUILDING APPRAISAL NECESSARY?

Ron Wilkes, Integral Property Loss Consultants

There are almost 200 different building occupancy designs that have their own unique purpose and use. Within each group of one design theme there are a variety of different designs. Design groupings are as follows:

APARTMENTS, CLUBS & HOTELS GROUP

Apartments (High Rise, Apartment Shells), City Clubs, Clubhouses, Country Clubs, Dormitories, Fraternity Houses, , Group Care Homes, Health Clubs, Homes for the Elderly, Hotels (Full Service, Limited Service), Mortuaries, Recreation (Pool) Enclosures, Rectories, Rooming Houses

CHURCHES, THEATERS & AUDITORIUMS GROUP

Arcade Buildings, Auditoriums, Bowling Alleys, Churches, Churches with Sunday School, Convention Centers, Fitness Centers, Fraternal Buildings, Handball Clubs, Racquetball Clubs, Tennis Clubs, Museums, Skating Rinks, Theaters (Cinemas, Live Stage), Visitor Centers

OFFICES, MEDICAL & PUBLIC BUILDINGS GROUP

Atriums, Vestibules, Banks (Branch, Central Office, Mini), Dispensaries, Fire Stations (Staffed, Voluntary), Government Buildings (Community Service, Mixed Use Facilities), Hospitals (General, Convalescent), Jails, Correctional Facilities, Police Stations, Kennels, Veterinary Hospitals, Mechanical Penthouses, Medical

Offices, Dental Clinics, Offices, Office Building Shells, Out Patient Center, Surgical Centers, Parking Levels (Intermediate, Under Building), Public Libraries

DWELLINGS, DUPLEXES & MOTELS GROUP

A-Frame Cabins, Baled Straw Homes, Bath Houses, Bed & Breakfast Inns, Cottages, Cabins, Dome Houses, Duplexes, Earth Sheltered Homes, High Value Residences, Lodges, Guest Cottages, Log Homes, Motels (Guest Rooms, Office Apartments, Extended Stay Motels), Multiple Residences (Low Rise Garden Apartments, Senior Citizen Multiple Residences, Elderly Assisted Living Multiple Residences), Multiple Residence Shells, Rammed Earth Homes, Single Family Residences, Guest Houses, Town Houses (Senior Citizen Town Houses, Urban Row Houses), Tropical Houses

SHEDS & BUILDINGS GROUP

Boat Storage Buildings, Boat Storage Sheds, Equipment Buildings, Equipment Sheds, Shop Buildings, Shop Sheds, Lumber Storage, Vertical Buildings, Horizontal Buildings, Material Storage Buildings, Material Storage Sheds, Shed Office Structures, Shelters, General Purpose Tool Sheds, Utility Buildings, Utility Sheds, Quonset Buildings

SCHOOLS & CLASSROOMS GROUP

Elementary Schools, Middle Schools, High Schools, Vocational Schools (Book Stores, Classrooms [General, Laboratory, Lecture], Day Care Centers, Fine Arts Buildings, Gymnasiums, Physical Education Centres, Libraries, College Centers, Media Centers, Manual Art Buildings, Multipurpose Buildings, Natatorium, Restrooms, Shower Buildings), College, University (Arts & Crafts, Commons, Classrooms, Field Houses, Lecture Halls, Science Buildings, Laboratory Buildings, Technical Trades Buildings)

STORES & COMMERCIAL BUILDINGS GROUP

Barber Shops, Beauty Shops, Bars, Taverns, Cocktail Lounges, Convenience Markets, Mini Marts, Dairy Sales Buildings, Department Stores, Florist Shops, Laundromats, Laundry & Dry Cleaning, Markets, Roadside Markets, Farmers Markets, Restaurants (Table Service, Dining Atriums, Cafeterias, Truck Stops, Fast Food, Playrooms), Retail Stores, Shopping Centers (Neighborhood, Community, Regional, Mixed), Shopping Center Shells, Snack Bars, Warehouse Stores (Discount, Food, Showroom)

FARM BUILDINGS GROUP

Arenas (Auction, Exercise, Show, Lean-to), Barns (Free Stall, General Purpose, Sheep), Bag & Bulk Fertilizer Storage, Bulk Oil Storage, Corn Cribs (Wire / Wood), Cotton Gins, Creameries, Dairy (Milking Parlors, Milk Houses), Dehydrator Buildings, Farm Implement Buildings, Farm Implement Sheds, Quonset Huts, Fruit Packing Barns, Fruit Cold Storage, Grain Elevators, Flat Houses, Hog

Barns, Hog Sheds, Modified Hog Sheds, Labor Dormitories, Transient Labor, Cabins, Livestock Shelters, Hay Shelters, Potato Storage, Poultry Houses (Cage / Floor), Sheds (Cattle, Loafing, Feeding), Silos (Tower, Bunker, Trench), Stables (Stall Barns, High Value Stables), Tobacco Barns, Utility Storage Buildings, Utility Storage Sheds, Grain Storage Buildings, Grain Storage Sheds, Vegetable Storage, Environmental Storage

GARAGES, INDUSTRIALS & WAREHOUSES GROUP

Armories, Automotive Service Centers, Broadcasting Facilities, Cold Storage Facilities, Complete Auto Dealerships, Computer Centers, Docks (Loading / Shipping), Garages (Service & Repair, Storage, Municipal, Service Sheds), Hangers (Maintenance, Storage, T Hangers), Industrial Warehouse Shells, Industrials (Engineering, Research & Development), Laboratories, Manufacturing [Light / Heavy]), Lofts, Flex Mall Buildings, Mini lube Garages, Mini Warehouses, Parking Structures, Passenger Terminals, Post Offices (Branch, Main, Processing Facilities), Underground Parking Garages, Vehicular Showrooms, Vehicular Salesrooms, Warehouses (Storage, Transit, Distribution, Mega Storage, Mega Distribution), Miscellaneous Buildings (Laundry, Boiler, Recycling, Telephone)

5. WE LEAVE YOU WITH THIS THOUGHT

“Black Eye – Optical Collision.”

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