Historical Reproduction Valuations

As part of the Member-wide property insurance valuation program, the Authority's strategic business partner CBIZ Valuation Group has performed some reproduction cost valuations on certain member historical buildings, either national registered or local historical presence performed at the option of the Member. Each Member was asked at the commencement of their onsite property inspections if any historical buildings would warrant a reproduction cost appraisal and this is another opportunity to have any historical buildings valued at reproduction cost instead of replacement cost. The fee ranges from $200 - $750 depending on the amount of time and effort required to complete the valuation. Any building not having a reproduction cost valuation was valued at replacement cost new.

The definitions of both values are defined as:

Replacement Cost New: the amount required to reproduce property in **like utility and function** with current market prices for materials, labor, equipment, contractor's overhead, profit and fees, but with no provision for overtime or bonuses for labor and premiums for material or equipment, based upon replacing the entire property at one time. This methodology takes local wages and material costs into account, as well as specific structural attributes that will cause increase or decrease in base value such as sprinkler systems, elevators, exterior wall adjustments, actual building occupancy, and quality of construction as related to industry standards. In determining replacement cost, expense associated with demolition, debris removal, or partial loss of property are to not be considered.

Reproduction Cost is defined as: the cost to replicate, at current prices, using **exact replica** kind and quality materials, construction standards, design/layout, and quality of workmanship. Reproduction costs also include a number of site-specific and process-related costs that are experienced when rebuilding after a loss, including replication of the construction process and methods employed during original construction.

Some of the elements that should be taken into account when considering reproduction cost can include the structure's age, importance, the original construction process and materials used, and if it is found on the national or state historical trust registry. Some historical societies may have rebuild guidelines requiring a building to be rebuilt after a loss using reproduction method and typically that Reproduction Cost value will be higher than the standard replacement cost new value.

If you have any questions or would like to request a building to be valued at reproduction cost please contact the Authority's Insurance Programs Manager Christopher Gray at (562) 467-8783 or cgray@cjpia.org.