INSURANCE VALUATION REPORT

Replacement cost for insurance purposes

14 Wattlebird Crescent, Chatswood, NSW 2067

Strata Plan 912345



RECOMMENDED SUM INSURED (INCL. GST)

$15,696,000

Fifteen Million Six Hundred Ninety-six Thousand Dollars

Valuation summary

Property address	14 Wattlebird Crescent, Chatswood, NSW 2067
Client	The Owners – Strata Plan No. 912345
Instructions	To assess the replacement value of the buildings and other improvements at the above address for insurance purposes.
Inspection	6 October 2026
Lots in scheme	24
Storeys	6
Year of construction	2011
Description	A six-storey residential apartment building of 24 lots over a single level of basement car parking, completed in 2011. Reinforced concrete frame and post-tensioned slabs with rendered masonry and lightweight cladding to the facades, aluminium-framed glazing and glass balustrades to the balconies, and a concrete roof with a lift overrun and plant platform.

Basis of assessment

The replacement value has been assessed using:

- Rebuilding cost at the date of valuation, measured from the lot schedule and inspection (areas and rates are set out in the construction cost schedule)
- Cost escalation over the design, tender and construction programme
- Professional fees, including council and certification charges
- Demolition and removal of debris
- Cost escalation over the insurance period, to the date of a potential claim, on all of the above
- An allowance for GST

Method of valuation

Section 161 of the Strata Schemes Management Act 2015 requires the owners corporation to insure the building for at least the amount worked out under section 39 of the Strata Schemes Management Regulation 2016. That amount is the sum of:

- the estimated cost, at the date the policy starts, of rebuilding or replacing the building and making the other payments a damage policy must cover, including removing debris and the fees of architects, engineers and other consultants (section 39(2)(a));
- the estimated increase in that cost over the 24 months after the policy starts (section 39(2)(b)); and
- any taxes, fees and charges that apply, including GST (section 39(3)).

This assessment follows that method. Escalation is allowed over the design, approval and construction programme and over the insurance period, and is applied to every cost above it, demolition included.

It assumes the building is totally destroyed and rebuilt on the same site to a modern equivalent of its present form and quality.

GST is included at 10%, as section 39(3) requires. An owners corporation that is not registered for GST cannot claim an input tax credit for the GST it would pay on rebuilding. If the owners corporation is registered for GST and can claim input tax credits, its insurer may agree to cover the GST-exclusive amount of $14,269,000 instead.

Exclusions

The sum insured does not allow for:

- The land, or council rates, land tax and other outgoings on it.
- Loss of rent, or temporary accommodation for owners and occupiers while the building is rebuilt.
- Contents of the owners corporation that are not part of the building, such as loose furniture and equipment. These should be insured under the contents section of the policy.
- Finance, legal and holding costs during rebuilding.
- Investigating, removing or remediating hazardous materials, and any site contamination.
- Extra cost or delay from planning appeals or unusual approval conditions.
- Reproduction of heritage fabric in original materials. A modern equivalent is allowed for unless this report says otherwise.

This report is not a structural survey, an environmental assessment or a quantity surveyor's estimate. The cost of rebuilding after a widespread catastrophe is shown separately below as an optional higher sum insured.

Locality

The property is located on the eastern side of Wattlebird Crescent, in an established residential precinct a short walk from Chatswood railway station and the Chatswood commercial and retail centre. Surrounding development comprises residential flat buildings of similar age and scale, with detached housing to the east.

Outline of complex

The scheme comprises 24 residential lots on Levels Ground to 5 — six one-bedroom, fourteen two-bedroom and four three-bedroom apartments, each with a balcony. Common property includes the entry lobby and lift lobbies, a passenger lift serving all levels, two fire stairs, the basement car park with a secure gated ramp, a garbage chute and bin room, a landscaped rear courtyard with a barbecue area, and boundary fencing.

Condition and presentation

The building presents in good condition for its age, with no visible evidence of significant defects at the time of inspection. Common areas are clean and well maintained. The lift was operating normally.

External cladding

The facades are rendered masonry with fibre-cement lightweight panels to the upper levels and aluminium-framed glazing. No aluminium composite panel (ACP) or other combustible cladding was seen on inspection, and none is recorded for the building.

Infrastructure improvements

Concrete driveway and ramp to the basement, external bollard lighting to the paths and courtyard, a bank of 24 letterboxes at the entry, and connections to all reticulated services.

Special allowances and specialist advice

No allowance is made for building code upgrades: the building was approved under a recent edition of the National Construction Code and would be rebuilt to substantially the same standard. The site has street frontage and no unusual access constraints; the basement rate allows for excavation in shale. No specialist advice was considered necessary for a building of this size and type.

Building and compliance

An occupation certificate was issued on completion in 2011 and the owners corporation provided a current annual fire safety statement. No outstanding council or Fair Trading orders, building defect claims or bond claims were reported, and the building is not heritage listed. No non-compliance with fire separation, egress or balustrade requirements was seen on inspection.

Common areas and improvements

The common property and shared improvements taken into account in this assessment. Amounts shown are the replacement cost allowed for that improvement within the construction cost on the following page. Where no amount is shown, the improvement is either covered by the building rate applied to the enclosed floor area or carries no separate allowance.

Improvement	Allowed
AQUATIC, RECREATION & LEISURE	
BBQ / Outdoor Entertaining BBQ burner(ea)	$4,105
BUILDING SERVICES & PLANT	
Passenger Lift(s) Lift (6 floors)	$251,431
Intercom / Video Entry	Within building rate
CCTV / Security System	Within building rate
Garbage Chute System Bin Chute system/floors	$20,628
PARKING & VEHICLE ACCESS	
Basement Parking Basement parking-fully underground	$1,878,861
Security / Sliding Gate	Within building rate
Sealed Driveways / Paths Driveway -Concrete	$41,050
COMMON ROOMS & CIRCULATION	
Lobby / Foyer Entry Foyer, Lobbies	$423,636
Mail Room / Parcel Lockers Letter box /ea	$2,463
Bin / Waste Room Bin Storage	$44,334
Internal Stairs / Stairwells Concrete stairs (M/Rise)	$116,377
OUTDOOR STRUCTURES & GROUNDS	
Landscaped Common Grounds	Within building rate
Common Fencing Fencing-metal /lm	$16,933
External / Street Lighting Bollard lights	$7,184
FURTHER IMPROVEMENTS ASSESSED ON INSPECTION	
Balconies	$529,547
Total allowed for improvements	**$3,336,548**
Enclosed floor area of the building	**$8,004,750**
Construction cost before escalation and fees	**$11,341,298**

The scheme comprises 1 lift, 30 car spaces.

Construction cost schedule

Quantities measured from the lot schedule and strata plan and on inspection. Rates: Rider Levett Bucknall Riders Digest 2026 (costs current at Fourth Quarter 2025), Sydney rates, with a further NSW cost index of 1.0263 applied since then (ABS Producer Price Index (cat. 6427.0), other residential building construction, NSW: December quarter 2025 160 to September quarter 2026 164.2).

Item	Quantity	Rate	Amount
Enclosed floor area (FECA) at the building rate	1,950 m²	$4,105.00/m²	$8,004,750.00
Balconies	344 m²	$1,539.38/m²	$529,546.72
Entry Foyer	45 m²	$3,284.00/m²	$147,780.00
Concrete stairs (M/Rise)	36 m	$3,232.69/m	$116,376.84
Lobbies	96 m²	$2,873.50/m²	$275,856.00
Bin Storage	18 m²	$2,463.00/m²	$44,334.00
Bin Chute system/floors	6 floor	$3,437.94/floor	$20,627.64
Basement parking-fully underground	920 m²	$2,042.24/m²	$1,878,860.80
Lift (6 floors)	1 ea	$251,431.25/ea	$251,431.25
BBQ burner(ea)	1 ea	$4,105.00/ea	$4,105.00
Bollard lights	10 ea	$718.38/ea	$7,183.80
Driveway -Concrete	160 m²	$256.56/m²	$41,049.60
Fencing-metal /lm	110 lm	$153.94/lm	$16,933.40
Letter box /ea	24 ea	$102.63/ea	$2,463.12
Construction cost			**$11,341,298.17**

Building rate cross-check

Adopted building rate: $4,105.00/m² of enclosed floor area.

Checked against the Cordell Commercial and Industrial Building Cost Guide (2024 edition) for multi-storey residential apartments of medium standard in Sydney, indexed to the same date. The adopted rate falls within the guide's range for a building of this height and finish.

Valuation calculation

Item	Amount	Adopted
Construction Cost at Commencement of Insurance Period Replacement Building and Improvements Cost	$11,341,298.17	$11,342,000
Cost Escalation for Construction Period 9 months pre-construction + 6 months mid-construction @ 3.4% pa	$482,005.17	$482,000

Item	Amount	Adopted
Progressive Subtotal	**$11,823,303.34**	**$11,824,000**
Professional fees 10.00% of subtotal	$1,182,330.33	$1,182,000
Progressive Subtotal	**$13,005,633.67**	**$13,006,000**
Demolition and removal of debris 7.00% of construction cost	$793,890.87	$794,000
Progressive Subtotal	**$13,799,524.54**	**$13,800,000**
Cost Escalation for Insurance Period 12 months @ 3.4% pa on the subtotal above	$469,183.83	$469,000
Total excluding GST	**$14,268,708.37**	**$14,269,000**
GST 10.00%	$1,426,870.84	$1,427,000
Adopted amount (incl. GST)		**$15,696,000**

Adopted figures are rounded up to the nearest $1,000 on the running total, so each line is the increase in the rounded total and the column adds up exactly.

Parameters and sources

Parameter	Adopted	Source
Cost escalation	3.4% a year	ABS Producer Price Indexes, Australia (cat. 6427.0), Other residential building construction (ANZSIC 3019), NSW: index 163 in the June quarter 2026 against 157.6 in the June quarter 2025, +3.4%
Design, documentation and tender	9 months	Valuer's programme for a building of this scale
Construction period	12 months	Valuer's programme; escalated at its midpoint
Insurance period	12 months	With the programme, covers section 39(2)(b)
Professional fees	10%	Valuer's allowance (see below)
Demolition and removal of debris	7% of construction cost	Valuer's allowance (see below)
GST	10%	A New Tax System (Goods and Services Tax) Act 1999

Basis of rates and allowances

Professional fees of 10% cover architectural, structural and services engineering, council and certification costs for a six-storey apartment building. Demolition of 7% of construction cost reflects removal of a reinforced concrete structure and basement from a constrained urban site. No hazardous-materials allowance is made for a building completed in 2011.

Catastrophe cost

Following a widespread event — cyclone, flood, bushfire or storm — rebuilding costs commonly rise well above ordinary levels: trades and materials become scarce, local authorities are backlogged with applications, and site access and debris removal take longer. Where the owners corporation wishes to cover that risk, the sum insured could be increased to the amount below. It is an alternative to, not an addition to, the adopted amount.

Item	Amount
Catastrophe sum insured (excl. GST)	$18,550,000
Catastrophe sum insured (incl. GST)	**$20,405,000**

Based on an uplift of 30% on the adopted amount.

Indemnity value

The indemnity value is the cost of the building in its present condition rather than new. It is provided for information and is not the recommended sum insured. It starts from the current construction cost, without future escalation, split into structure, fabric and services. Each part is depreciated by its own effective age over its own effective life, assessed by the valuer having regard to its condition on inspection and any renewal, rather than by the building's age alone, and limited to 70%. Professional fees follow the depreciated cost; demolition and debris removal are included in full.

Component	Current cost	Age / life	Depreciation	Depreciated
Structure (frame, floors, roof structure) 55% of cost	$6,237,714	15 / 80 yrs	18.8%	$5,068,143
Fabric and finishes (facade, roofing, linings, fit-out) 30% of cost	$3,402,389	15 / 40 yrs	37.5%	$2,126,493
Services (lifts, plant, electrical, hydraulic, fire) 15% of cost	$1,701,195	15 / 25 yrs	60%	$680,478
Depreciated building cost	$11,341,298			**$7,875,114**
Professional fees (10%)				$787,511
Demolition and removal of debris				$793,891
Indemnity value (excl. GST)				**$9,457,000**
Indemnity value (incl. GST)				**$10,403,000**

Basis of effective ages

Structure, fabric and services are taken at the building's actual age of 15 years. The building has had no major renewal since completion, and the lift is original and serviced under a maintenance contract.

Relationship to market value

The sum insured is not the market value of the lots and will usually differ from it. Market value is the price the lots would sell for. It includes the land and reflects location, outlook, amenity and the state of the market, but it carries nothing for demolition, professional fees or the time it takes to rebuild. The sum insured is the cost

of reinstating the building alone after a total loss. It excludes the land, but includes demolition, fees, cost escalation to the date of a claim and GST. Where land is valuable, as in established inner-city locations, the market value of a scheme commonly exceeds its rebuilding cost. Where land is cheaper, or building costs have risen faster than prices, the rebuilding cost can exceed the market value. Neither figure is a guide to the other, and this report must not be relied on as a market valuation.

Apportionment

The sum insured apportioned across the lots. Common property carries the balance not attributed to individual lots. Lot shares are the unit entitlements entered by the valuer.

Lot	Value	% of total
Lot 1	$419,680	2.6738%
Lot 2	$419,680	2.6738%
Lot 3	$419,680	2.6738%
Lot 4	$419,680	2.6738%
Lot 5	$419,680	2.6738%
Lot 6	$419,680	2.6738%
Lot 7	$625,721	3.9865%
Lot 8	$625,721	3.9865%
Lot 9	$625,721	3.9865%
Lot 10	$625,721	3.9865%
Lot 11	$625,721	3.9865%
Lot 12	$625,721	3.9865%
Lot 13	$625,721	3.9865%
Lot 14	$625,721	3.9865%
Lot 15	$625,721	3.9865%
Lot 16	$625,721	3.9865%
Lot 17	$625,721	3.9865%
Lot 18	$625,721	3.9865%
Lot 19	$625,721	3.9865%
Lot 20	$625,721	3.9865%
Lot 21	$900,417	5.7366%
Lot 22	$900,417	5.7366%
Lot 23	$900,417	5.7366%
Lot 24	$900,417	5.7366%
Subtotal	**$14,879,839**	**94.8002%**
Common property	**$816,161**	**5.1998%**
Grand total	**$15,696,000**	**100.0000%**

Qualifications

- This is not a structural survey. No inspection was made of unexposed or inaccessible areas, and no comment is made on the condition of concealed structure, services or waterproofing.
- The assessment relies on the lot schedule and building particulars supplied to hovr, together with what was observed on inspection. Where that information is incomplete or incorrect, the assessment may be affected.
- Improvements made by individual owners beyond the original approvals remain the responsibility of those owners and should be insured by them. External improvements observed from common property are included.
- Building costs move. A review is recommended at each insurance renewal, and sooner if the complex is altered or extended.
- This report is prepared for the client named above and may be provided to their insurer or broker. It may not be published, in whole or in part, without hovr's written consent.

Alexandra Whitfield
Australian Property Institute (API) · No. CPV-10482
Whitfield Property Valuations Pty Ltd
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