

## Objective

This document has been created to assist HSC in performing a simplistic cost effective benchmarking of their owned property replacement costs

To perform this evaluation, the following elements need to be considered for each property:

- Type of Occupancy
- Construction Classification
- Location

To perform the analysis, HSC can determine a high level sq. ft. estimator for each of its properties through the following multiplicative approach:

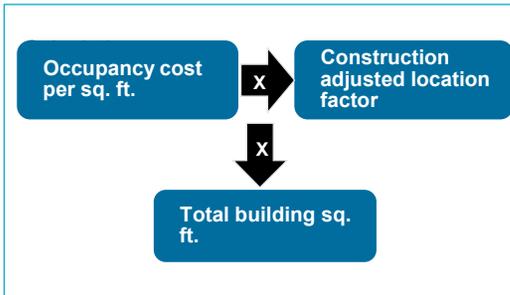
**Step 1:** Identify property occupancy and associated square foot dollar value

**Step 2:** Determine property construction class

**Step 3:** Identify the property location factor (given the construction class) and multiply it by the occupancy square footage dollar value from Step 1

Once the final square foot dollar value is determined for a property, HSC may apply this against the total square footage of the property to determine a high level estimation of its replacement cost

**Gross Area Definition:** The sum of all areas on all floors of a building included within the outside faces of its exterior walls, including all vertical penetration areas, for circulation and shaft areas that connect one floor to another.



## Step 1: Determine Occupancy Type And Associated Sq. Ft Value

Upon review of HSC’s properties, the following occupancy types were selected for evaluation

Occupancy	Description	*Cost per Sq. Ft
<b>Apartment, High Rise (Over 4 Stories) -</b>	High rise apartments typically have one exterior entrance, a central lobby area, and individual apartment entrances that are located along interior hallways. This occupancy represents apartment buildings that are five or more stories in height. Each apartment includes its own kitchen and bathroom, as well as bedroom(s) and living area.	<b>\$174</b>
<b>Apartment, Low Rise (1 to 4 Stories)</b>	Low rise apartments typically have one common exterior entrance, with individual apartment entrances located along interior hallways. This occupancy represents apartment buildings of four stories or less, containing more than four dwelling units. Each apartment includes its own kitchen and bathroom, as well as bedroom(s) and living area.	<b>\$149</b>
<b>Apartment, 2-4 Units</b>	2-4 unit apartments are normally rental type properties. They typically have one common exterior entrance, although private entrances are also common. Each apartment includes its own kitchen, bathroom, living area, and bedroom(s). This occupancy represents apartment buildings that are generally two or less stories in height and have two to four dwelling units.	<b>\$149</b>
<b>Row House</b>	This building is a series of attached individual dwelling units located side by side. Row house units are completely self-contained with their own kitchen, bath, individual entrance, and separate utilities. Individual units are separated from one another by a common wall. This occupancy represents row houses containing more than four dwelling units	<b>\$179</b>
<b>Condominium</b>	Condominiums are similar to apartments in their function and design. The condominium occupancy differs slightly from the apartment occupancies in that the condominium has higher quality finishes, and a higher plumbing density (more fixtures per unit). Each condominium unit contains its own kitchen, bathroom(s), bedrooms, and living space. Costs are intended for buildings with more than four dwelling units.	<b>\$195</b>
<b>House, Single Family</b>	This occupancy represents a typical, single-family, one or two-story structure. This occupancy is being offered for those times when this type of occupancy may be part of a larger valuation. Based on the square footage of the building, this structure will vary the size of the kitchen and increase the number of bedrooms, bathrooms, and specialty rooms as the home becomes larger. Examples of specialty rooms include the living room, dining room, den, and large foyer.. This occupancy is offered only for frame / ISO class 1 construction and masonry / ISO class 2 construction.	<b>\$200</b>
<b>Rooming House</b>	A rooming house is a single family home that rents out no more than 5 guest rooms to non-family members. Although dining for tenants or guest may be provided, there is no restaurant. They feature individual sleeping quarters, shared bathrooms, a family style kitchen, and dining area.	<b>\$124</b>

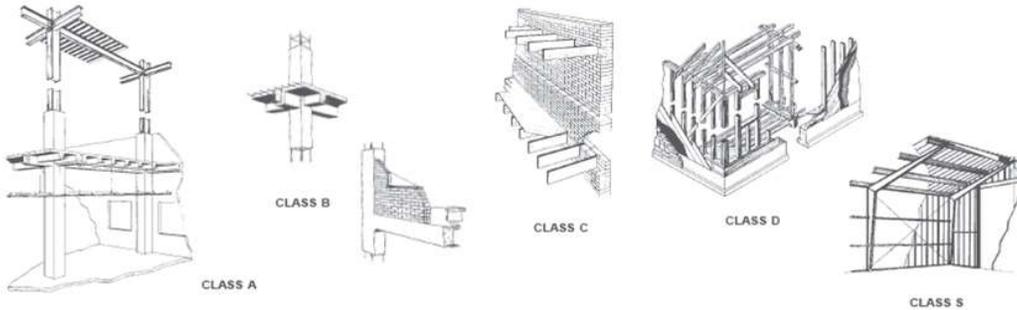
### Steps 2 and 3

\*Pricing based on cost averages.  
Adjustments for superior or below average quality should be considered  
\*All pricing excludes basements

### Step 2: Determine Construction Class

Determine the construction class of the property

**CLASS OF CONSTRUCTION**



CLASS	FRAME	FLOOR	ROOF	WALLS
A	Structural steel columns and beams, fireproofed with masonry, concrete, plaster or other noncombustible material.	Concrete or concrete on steel deck, fireproofed.	Formed concrete, precast slabs, concrete or gypsum on steel deck, fireproofed.	Nonbearing curtain walls, masonry, concrete, metal and glass panels, stone, steel studs and masonry, tile or stucco, etc.
B	Reinforced concrete columns and beams. Fire-resistant construction.	Concrete or concrete on steel deck, fireproofed.	Formed concrete, precast slabs, concrete or gypsum on steel deck, fireproofed.	Nonbearing curtain walls, masonry, concrete, metal and glass panels, stone, etc.
C	Masonry or concrete load-bearing walls with or without pilasters. Masonry, concrete or curtain walls with full or partial open steel, wood or concrete frame.	Wood or concrete plank on wood or steel floor joists or concrete slab on grade.	Wood or steel joists with wood or steel deck. Concrete plank.	Brick, concrete block or tile masonry, tilt-up, formed concrete, nonbearing curtain walls.
D	Wood or steel studs in bearing wall, full or partial open wood or steel frame, primarily combustible construction.	Wood or steel floor joists or concrete slab on grade.	Wood or steel joists with wood or steel deck.	Almost any material except bearing or curtain walls of solid masonry or concrete. Generally combustible construction.
S	Metal bents, columns, girders, purlins and girts without fireproofing, noncombustible construction.	Wood or steel deck on steel floor joists or concrete slab on grade.	Steel or wood deck on steel joists.	Metal skin or sandwich panels. Generally noncombustible.

### Step 4: Review Value

The benchmark value derived from this exercise should be compared with the \$/sq.ft benchmark on the previous page. If values are greater than +/- 10% then a valuation should be completed. Follow the link to utilize further valuation services: <https://www.hscorp.ca/our-programs-and-services/insurance/building-valuation-services/>

### Step 3: Apply Location Factor

Multiply the location factor, for the applicable construction class, by the property's square foot cost found on page 1.

CLASS	A	B	C	D	S
ONTARIO	1.24	1.24	1.26	1.23	1.23
Barrie	1.29	1.30	1.32	1.27	1.27
Belleville	1.11	1.08	1.09	1.10	1.07
Brampton	1.27	1.26	1.30	1.27	1.27
Brantford	1.20	1.14	1.19	1.17	1.17
Brockville	1.19	1.18	1.16	1.18	1.18
Cambridge	1.19	1.19	1.20	1.20	1.14
Guelph	1.20	1.19	1.21	1.17	1.18
Hamilton	1.33	1.32	1.36	1.34	1.29
Kingston	1.26	1.26	1.32	1.29	1.25
Kitchener	1.27	1.28	1.30	1.28	1.28
Lancaster	1.26	1.25	1.24	1.24	1.26
Lindsay	1.10	1.12	1.12	1.12	1.08
London	1.34	1.35	1.38	1.35	1.36
Niagara Falls	1.13	1.09	1.12	1.10	1.09
North Bay	1.18	1.17	1.12	1.10	1.15
Orillia	1.09	1.09	1.10	1.10	1.04
Oshawa	1.15	1.12	1.16	1.12	1.14
Ottawa	1.33	1.34	1.35	1.34	1.34
Owen Sound	1.20	1.22	1.28	1.24	1.24
Peterborough	1.32	1.33	1.34	1.30	1.33
Samia	1.34	1.35	1.37	1.32	1.35
Sault Ste. Marie	1.34	1.37	1.39	1.33	1.34
St. Catharines	1.29	1.27	1.32	1.31	1.27
Sudbury	1.28	1.28	1.29	1.25	1.30
Thunder Bay	1.31	1.34	1.34	1.28	1.31
Timmins	1.28	1.23	1.27	1.22	1.24
Toronto	1.26	1.28	1.30	1.28	1.28
Trenton	1.11	1.09	1.09	1.07	1.05
Waterloo	1.28	1.28	1.30	1.28	1.29
Windsor	1.41	1.42	1.42	1.38	1.44

### Comments/ Limitations

The following data is provided for informational purposes. Marsh recommends that this benchmarking tool be used as a guide only and can provide further valuation services. Marsh can provide this service at your request for a fee. The information provided is not intended to be used for establishing insurance policy limits. No visit to your facilities has been made by Marsh to validate the information below to determine if it is appropriate for your facilities.

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The final square foot value may then be applied to the total square footage of the property to determine a high level benchmarking estimation

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