

INSURANCE VALUE APPRAISAL  
of  
THE LEICESTER (VR 1591)  
1545 WEST 13TH AVENUE  
VANCOUVER, BC  
as at  
JANUARY 28, 2024



Prepared for  
STRATA VR 1591  
VANCOUVER, BC

54009 - 1520 Lonsdale Ave.  
North Vancouver, B.C.  
V7M 2H0



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Strata VR 1591  
c/o 3580 West 15th Avenue  
Vancouver, BC V6R 2Z4  
Attention: Mr Tom Heise, Strata Representative

December 01, 2023

Dear Mr Heise

RE: Insurance Appraisal of VR 1591

In accordance with your instructions of November 21, 2023 we have prepared an Insurance Appraisal of the Improvements located at the above property.

As a result of our investigations, from data obtained and conclusions reached, in our opinion the Cost of Reproduction New value of those assets, including By-law Review and Demolition Estimate, as of January 28, 2024 would be equitably represented in the amount of:

CRN      **\$3,618,000.**  
(THREE MILLION, SIX HUNDRED EIGHTEEN THOUSAND DOLLARS)

For your convenience a summary of pertinent facts and conclusions, descriptions of the appraised property and appraisal procedures are set forth in the body of this report.

All opinions of value expressed herein are subject to the Statement of Assumptions and Limiting Conditions set forth following this letter of transmittal, and the definitions of value included in this report.

A copy of this report together with the associated field data is retained in our files. At your request, we can forward a copy of this report to your insurance broker. If you have any further inquires please do not hesitate to contact us.

Respectfully submitted  
*Valuations West*

Brett Humphreys  
President

## ASSUMPTIONS AND LIMITING CONDITIONS

1. This report is prepared at the request of Mr Heise, representing Strata VR 1591, for the purpose of an appraisal of Cost Reproduction New for property insurance purposes. It is not reasonable for any person other than Mr Heise, Strata VR 1591 and their agent to rely upon this appraisal without first obtaining written authorization from this appraiser. This report is prepared on the assumption that no other person will rely on it for any other purpose, and that all liability to all such persons is denied.
2. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that:
  - (a) the legal description as set out herein is correct;
  - (b) title to the property is good and marketable;
  - (c) there are no encroachments, encumbrances, restrictions, leases or covenants that would in any way affect the valuation, except as expressly noted herein;
  - (d) the existing use is a legally conforming use which may be continued by existing or subsequent owners;

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken which would verify these assumptions except as expressly noted herein.

3. The appraiser is not a qualified land surveyor, and no legal survey concerning the subject property has been provided. Sketches, drawings, diagrams, photographs, etc., are presented in this report for the limited purpose of illustration, and are not to be relied upon in themselves.
4. Structural plans, Strata Condominium Plans, or Architectural Drawings provided by the client or his agent, are deemed to be accurate as to their specifications and dimensions, unless advised otherwise in writing.
5. No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report.

6. The appraiser is not qualified to give engineering advice. In inspecting the property we have noted its condition, but have assumed that there are no patent, inherent, or latent defects in the subject improvements, that no objectionable or environmentally sensitive materials such as Urea Formaldehyde foam or asbestos are present, and that they are structurally sound and in need of no immediate repairs, unless expressly noted within this report. No environmental assessments have been done, nor have tests been done on the building services, or component systems, and for the purpose of this opinion, they are assumed to be in good working order.
7. Neither possession of this report nor a copy of it carries with it the right of publication. All copyright is reserved to *Valuations West* and is considered confidential by them and their clients. It shall not be disclosed, quoted from or referred to, in whole, or in part, or published in any manner, without the expressed written consent from *Valuations West*.
8. Because market conditions, including economic, social and political factors, change rapidly and on occasion, without warning, the values expressed, as of the date of this appraisal, cannot be relied upon to estimate the value as of any other date except with further advice from the appraiser.
9. The fee for this appraisal does not cover attendance at hearings, judicial or otherwise, but such attendance may be available.
10. This appraisal is to estimate the Cost Reproduction New value of the improvements for insurance purposes; no responsibility is assumed for the misuse of this appraisal; as a basis for determining, or estimating the real estate's market value.
11. Insurance exclusions may, or may not be insured under your general insurance policy. It is recommended that you consult your insurance broker to confirm your policy coverage.
12. Cost Reproduction New as stated in our report includes Goods & Services Tax (G.S.T.), where applicable.
13. The Site Plan presented herein is for the general purpose of illustration, to indicate the relative location of the buildings on site, distance to neighbour buildings and Reproduction Cost New values *pro rata*. The measurements indicated are extracted from plans submitted to us by the client or their agent, or by measurement at the site. We do not warrant their accuracy.

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Project	The Leicester (VR 1591)	
Location	1545 West 13th Avenue City of Vancouver, BC	
Effective Appraisal Date	January 28, 2024	
Type of Property	15 Unit, 3 Storey Apartment	
Building Area :	Ground Floor	3,930 sq.ft.
	Second Floor	3,980 sq.ft.
	Third Floor	4,010 sq.ft.
	TOTAL	11,920 sq.ft.
Purpose of Appraisal	Cost of Reproduction New value for Property Insurance Purposes	
Property Rights	For the purpose of this appraisal we are considering the cost of reproduction of improvements. It is beyond the scope of this appraisal to consider the market value of property ownership.	
Interest Appraised	Fee Simple Interest	
Current Zoning	"RM 3" Multiple Residential 3 District	
Cost of Reproduction New	\$3,618,000.	

## DEFINITION OF VALUE

It is generally recognized that there are two capital values which facilitate the placement of property insurance; Cost of Reproduction New (CRN) and Cost of Reproduction New Less Depreciation (CRNLD). The costs can be defined as follows:

**Cost of Reproduction New (CRN)** is the cost of reproducing a new duplicate or replica property on the basis of current prices with the same or closely similar materials, embodying all the deficiencies, super adequacies and obsolescence of the property.

**Cost of Reproduction New Less Depreciation (CRNLD)** is based upon the cost of reproduction new, as defined above, less accrued depreciation; that is loss of value from physical deterioration, functional and/or economic obsolescence deemed relevant for insurance purposes.

*The term "Cost of Replacement" is sometimes used to define value, that is, the cost of construction required to replace the subject property with a substitute of like or equal utility. With newer structures, the terms reproduction or replacement will be somewhat synonymous. While with older structures, a reproduction approach is endeavouring to replace with like kind where possible. In the case of totally obsolete or unavailable components, a true reproduction in its strictest sense may not be possible or desirable.*

## IDENTIFICATION OF APPRAISED PROPERTY

The property appraised in this report is the construction assets, including buildings, building services and site improvements at the identified civic address.

We have not valued any machinery or equipment that is not integral to the buildings or on site unless expressly represented in this report. Assets excluded are comprised of land, chattels and current or intangible assets, if any.

We strongly recommend that you review your insurance policy or contact your insurance broker to determine those assets which may not be insurable; known as **Insurance Exclusions**.

The industry standards for insurance exclusions include, but are not limited to, the following assets: site preparation, excavation and back fill, footings and pilings, incoming water supply lines for sprinkler systems.

## CONSTRUCTION SUMMARY

PROJECT NAME:	THE LEICESTER (VR 1591)	BUILDING NO:	N/A
PROPERTY TYPE:	LOW-RISE APARTMENT	QUALITY:	GOOD
APPROX. YR. OF CONSTR.:	1928, RENOVATED 1985	EFFECTIVE AGE:	6
CONSTRUCTION CLASS:	D		

STRATA PLANS:		
DRAWING NOS.	NIL	DATE: N/A
ARCHITECTURAL		
DRAWING NOS.	MEASURED ON SITE	DATE: APR/99
STRUCTURAL		
DRAWING NOS.	NIL	DATE: N/A
MECHANICAL		
DRAWING NOS.	NIL	DATE: N/A
ELECTRICAL		
DRAWING NOS.	NIL	DATE: N/A

## DESCRIPTION

<b>SUBSTRUCTURE:</b>	EXCAVATION & SITE PREP. FOUNDATIONS SPECIAL CONDITIONS	FOR FOUNDATIONS & GROUND FLOOR CONCRETE PERIMETER WALL & FOOTINGS NIL
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<b>SUPER STRUCTURE:</b>	LOWEST FLOOR UPPER FLOORS BALCONIES ROOF CONSTRUCTION	REINFORCED CONCRETE SLAB ON GRADE WOOD JOISTS & DECK ON TIMBER FRAME NIL FLAT; WOOD JOISTS, TRUSSES & DECK, INCLUDING METAL FRAME (M.F.) & WIRED GLASS ROOF WINDOW
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<b>EXTERIOR FINISHES:</b>	ROOF COVER BASEMENT WALLS UPPER WALLS  WINDOWS  DOORS  CANOPIES	BUILT-UP MEMBRANE ON RIGID INSULATION CONCRETE BASE WALL W/ WATERPROOFING WOOD FRAME (W.F.) & PART EXTERIOR PLASTER ON LATH & PART COARSE AGGREGATE STUCCO, INCLUDING PAINTED WOOD TRIMS, COURSE & ACCENTS, PARAPET WALLS, SHEATHING, INSULATION, PLASTER ON LATH INTERIOR FINISH M.F. & THERMOPANE, INCLUDING DECOR WINDOW GRILLS (SOUTH WALL AT 2ND FLOOR) & GROUND FLOOR WINDOWS W/ SECURITY BARS W.F. & SOLID CORE W/ SINGLE PANE GLASS PANEL - MAIN FRONT & REAR ENTRANCES, W.F. & METAL CLAD - EXITS NIL
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<b>INTERIOR CONSTRUCTION:</b>	INTERIOR WALLS  SPECIAL PARTITIONS INTERIOR DOORS  STAIRS ELEVATORS/ESCALATORS	W.F. & PLASTER ON LATH PARTITION WALLS, DOUBLE FRAME, INSULATION & PLASTER ON LATH - PARTY WALLS W.F. STORAGE LOCKER PARTITIONING W.F. & SOLID CORE - SUITE MAIN ENTRANCES, W.F. & PANEL, SWING - INTERIOR SUITES, M.F. & METAL CLAD FIRE BREAK DOORS 2 CLOSED STAIRWELLS, WOOD NIL
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**CONSTRUCTION SUMMARY CONTINUES...**

**INTERIOR  
FINISHES:**

FLOORS	HARDWOOD STRIP, CARPET & PAD, CERAMIC TILE, LINOLEUM & FLOOR SEALER
CEILING	W.F. & PLASTER ON LATH, PAINT FINISH
WALLS	PAINT, CERAMIC TILE TUB SURROUNDS, GOOD QUALITY MILLWORK
FIXTURES/FITTINGS	STANDARD QUALITY

**MECHANICAL:**

PLUMBING	STANDARD QUALITY COMMERCIAL FIXTURES & PIPING
UNDERGROUND DRAINAGE	WASTELINES & CONNECTIONS
H.V.A.C.	GAS-FIRED HOT WATER RADIATOR
CHIMNEY	MASONRY
FIRE PROTECTION	<b>SPRINKLERS TO FURNACE ROOM ONLY;</b> EDWARDS 2280 FIRE ALARM CONTROL PANEL, HEAT/SMOKE DETECTORS INCLUDING IN-SUITES, HALLWAYS & TOP FLOOR STAIRWELLS, EMERGENCY LIGHTING (BATTERY), PULL STATIONS & ALARMS, EXTINGUISHER CABINETS

**ELECTRICAL:**

LIGHTING AND WIRING	FLUORESCENT & INCANDESCENT FIXTURES W/ BX WIRING
POWER PANELS & WIRING	MAIN POWER PANELS & POWER SUPPLY, <b>NOTE:</b> CIRCUIT BREAKER PANELS IN-SUITES

**MISC. ITEMS:**

CONTENTS	APPLIANCES - REFRIGERATOR & RANGE PER UNIT
OTHER	"DECORATIVE FAUX" FIREPLACES

**COMMENTS:**

GENERALLY, THE BUILDING APPEARS WELL MAINTAINED & IN GOOD CONDITION FOR ITS AGE & USE. IT IS OUR UNDERSTANDING THE FOLLOWING RENOVATION HAVE BEEN DONE: COMPLETE RE-WIRING & RE-PLUMBING OF THE BUILDING, MAJOR UPGRADE OF FIRE PROTECTION EQUIPMENT & EXIT IN 1985, NEW ROOF COVER IN 2002. RE-PAVING OF PARKING AREA IN 2006., RE-PLACED BOILER IN 2007, RE-PLUMBED THE BUILDING IN 2011., UPGRADED ALL WINDOWS TO THERMOPANE 2008 - 2014, INTERIOR RE-PAINTED IN 2016, NEW CARPETS IN COMMON HALLWAYS IN 2017, RE-PAINTED WINDOW TRIMS IN 2020, REPLACED EAVES & DOWN SPOUTS IN 2021, INSTALLED NEW POWER PANEL & REPLACED SKYLIGHT IN 2022, RE-PAINTED EXTERIOR & REPAIRED DAMAGED SASH & SILLS IN 2023.

**SITE**

**IMPROVEMENT:**

CONCRETE SIDEWALKS, STEPS & ACCESS AREAS, CONCRETE & BRICK RETAINING WALLS & RAISED PLANTING BEDS, METAL PICKET FENCING, LANDSCAPING AND UNDERGROUND SERVICES.

**DISTANCE TO**

**FIRE STATION:**

0.5 KM NORTH-EAST OF THE SUBJECT, AT WEST 10TH AVENUE, BETWEEN GRANVILLE & HEMLOCK STREETS. GOOD ACCESSIBILITY TO ALL SIDES OF THE BUILDING.



## APPRAISAL PROCEDURE

In this section of the report the data and analysis are set forth to estimate the reproduction costs of the improvements. Our conclusions of value are based upon physical inspection of the property by *Valuations West* personnel, giving full consideration to the property's character, utility, age, degree of preventive maintenance, and physical condition.

We have not conducted a quantity survey estimate, however, the costs of reproduction have been developed from prevailing unit costs in the Greater Vancouver construction industry, cost indexes and cost manuals used by Canadian Architectural and Engineering companies.

In valuing the improvements for insurance purposes, we have employed what is known in the appraisal industry, as the ***Unit In Place Method***. This method involves estimating the unit cost of the component sections of the structure. These unit costs include labour, materials, contractor's overhead and profit, architect's fees and miscellaneous costs required for new construction.

In the case of older construction, no investigation has been undertaken to consider the additional construction costs associated with replacing the existing property with a structure that conforms to current zoning by-law and fire regulations, unless such investigations are expressed in the By-law Review section of this report.

We have not taken into consideration the cost of demolition in connection with reconstruction, or cost of removal of destroyed materials, unless such consideration is expressly represented in this report.

In the event of partial loss, the amount of loss may be based upon the repair cost which is usually disproportionately higher than the Cost of Reproduction New for the entire property, as defined in this report.

***If your organization qualifies under the G.S.T. rebate program of the Federal Government, you may wish to discuss with your insurance broker the feasibility of insuring your property at a lower value than that which has been stated herein. In the event of loss, claims could be reduced depending on the G.S.T. rebate.***

# VALUATIONS WEST COST ANALYSIS

<b>BUILDING:</b>	THE LEICESTER (VR 1591)	<b>Overall</b>	
<b>LOCATION:</b>	1545 WEST 13TH AVENUE	<b>Cost / Sq. Ft.</b>	\$235.07
	VANCOUVER, BC	<b>Cost / Sq. M.</b>	\$2,530.32

<b>APPROX. YR. OF CONSTRUCTION:</b>	1928
<b>TOTAL GROSS FLOOR AREA:</b>	11,920 SQ.FT. or 1,107 SQ.M.
<b>NUMBER OF UNITS:</b>	15
<b>CLASSIFICATION:</b>	D

		CRN
<b>DESCRIPTION:</b>	EXCAVATION & SITE PREPARATION	34,900
<b>FOUNDATIONS:</b>	PERIMETER WALLS AND FOOTINGS	68,960
<b>BASEMENT EXTERIOR WALLS:</b>	CONCRETE	46,140
<b>EXTERIOR WALLS:</b>	CONCRETE	0
	MASONRY, GLASS BLOCK, ETC.	0
	STUD WALLS AND FINISHES	348,290
	EXTERIOR DOORS AND WINDOWS	116,100
	WALL ORNAMENTATION	0
<b>FRAMING:</b>	STRUCTURAL MEMBERS AND SUPPORTS	146,170
<b>FLOORS:</b>	CONCRETE SLAB, ELEVATED SLABS	35,200
	JOISTS AND DECK	144,320
<b>ROOF:</b>	STRUCTURE & COVERING	85,390
<b>INTERIOR CONSTRUCTION:</b>	CARPENTRY AND MATERIALS	311,680
	MILLWORK, FINISHES AND HARDWARE	311,680
<b>FLOOR COVERINGS:</b>	FLOOR FINISHES	220,200
	TERRAZZO, MARBLE & CERAMIC TILES	12,710
<b>CEILINGS:</b>	ACOUSTIC PANELS	0
	DRYWALL AND/OR PLASTER	117,690
<b>LIGHTING &amp; WIRING:</b>	FIXTURES, HARDWARE AND WIRING	120,470
<b>POWER PANELS &amp; WIRING:</b>	MAIN SWITCH PANELS AND POWER SUPPLY	13,380
<b>PLUMBING:</b>	FIXTURES AND PIPING	163,540
	WASTELINES & CONNECTIONS	28,860
<b>FIRE PROTECTION:</b>	SPRINKLERS AND/OR FIRE EQUIPMENT	71,740
	INCOMING WATER SUPPLY LINES	120
<b>H.V.A.C.</b>	COMPLETE SYSTEM	162,860
<b>ELEVATORS:</b>	COMPLETE	0
<b>CONTENTS:</b>	HOUSEHOLD APPLIANCES	49,500
<b>BUILT-IN ITEMS:</b>	REC. FACILITIES, FIREPLACES, INTERCOM, ETC.	21,450
	MISC.	0
	N/A	0
	ARCHITECT FEES	171,040
<b>SUMMARY:</b>	TOTAL VALUATION	2,802,390
	ROUNDED TO:	\$2,802,000

NOTE: WE RECOMMEND THAT YOUR INSURANCE BROKER BE CONSULTED TO DETERMINE ANY INSURANCE EXCLUSIONS WHICH MAY APPLY TO YOUR POLICY COVERAGE

## VALUATIONS WEST COST ANALYSIS - SITE IMPROVEMENTS

**BUILDING:** THE LEICESTER (VR 1591)  
**LOCATION:** 1545 WEST 13TH AVENUE  
VANCOUVER, BC  
**APPROX. YR. OF CONSTRUCTION:** 1928

		CRN
<b>DESCRIPTION:</b>		
<b>SITE IMPROVEMENTS:</b>	SURFACE - PAVING, SIDEWALKS, CURBS, ETC.	26,190
	ABOVE GROUND - FENCES, LIGHTING, ETC.	22,240
<b>UNDERGROUND SERVICES:</b>	MAINS, PIPES AND CONNECTIONS	45,020
	ARCHITECT FEES	6,070
<b>SUMMARY:</b>	TOTAL VALUATION FOR SITE IMPROVEMENTS	\$99,520
ROUNDED TOTAL:		\$100,000

**NOTE: WE RECOMMEND THAT YOUR INSURANCE BROKER BE CONSULTED TO DETERMINE ANY INSURANCE EXCLUSIONS WHICH MAY APPLY TO YOUR POLICY COVERAGE.**

## COST OF DEMOLITION

Although we have noted the general condition of the property, we have assumed that there are no objectionable, or environmentally sensitive materials present. No environmental assessments have been done, nor have tests been done on the building services or component systems.

Our estimate of demolition costs represents an average cost of removal, including tear down, removal from the site, loading, haulage and dumping fees. It is assumed that the materials on site would have no salvage value.

Costs of removal can vary greatly depending on the size and complexity of the job, and extent of contamination regarding hazardous materials. We caution the reader that the cost stated here should be considered a "estimate" only.

**\$98,000.**

(NINETY-EIGHT THOUSAND DOLLARS)

## BY-LAW REVIEW

In the event of a total loss of the existing improvements, and subsequent reproduction of subject property, there may be additional construction costs required to bring the original design up to current by-law regulations.

The purpose of this By-Law Review is to identify those provisions in the current by-law that would most affect construction costs, and to estimate the additional costs to right the building(s).

According to the City of Vancouver By-law, the subject property is zoned "RM-3" Multiple Dwelling 3 District. The following provisions apply: minimum site area for multiple dwelling use is 550 sq.m. with provisions to exceed, maximum building height is 36.6 m. with conditions; maximum floor space ratio (FAR) of 1.00 times lot area with computations & conditions to exceed. No specified minimum frontage or site coverage required.

The minimum parking requirement for sites smaller than 500 sq.m. or with a maximum of 1.0 FAR, the lesser of 0.5 space per dwelling unit for dwellings less than 50 sq.m. gross floor area; dwelling units greater than 50 sq.m., a minimum of 0.6 space per dwelling unit plus 1 space for each 200 sq.m. of gross floor area, except that for every dwelling unit 180 sq.m. or greater, need no more than 1 parking space per dwelling unit. For multiple dwelling use, all required parking spaces, excluding visitor parking spaces, must provide Level 2 or higher electric vehicle charging outlets.

The minimum bicycle parking for multiple dwelling use is the following:  
1.5 Class A (resident) bicycle parking spaces per dwelling unit under 65 sq.m. gross floor area; 2.5 spaces per dwelling unit for units 65 to 105 sq.m. &  
3.0 Class A bicycle spaces per dwelling unit over 105 sq.m. Class B (visitor) bicycle parking spaces are required for any development with 20 dwelling units & 1 additional Class B bicycle space for each additional 20 dwelling units.

In addition, the RM-3 zone outlines intent, permitted uses, conditions of use, setbacks, car & bicycle design & logistics, vertical & horizontal angles of daylight, acoustics, relaxation of regulations & other regulations. Specific zoning enquiries are directed to the City of Vancouver Planning Department.

In consideration of the current Zoning By-laws, BC Fire & Building Codes, we have identified the following deficiencies: on-site parking garage, electric vehicle charging outlets, bicycle parking, sprinkler system throughout the building & building upgrades. It is our opinion that the cost of those items identified as deficiencies would approximate:

**\$618,000.**

(SIX HUNDRED EIGHTEEN THOUSAND DOLLARS)

**VALUATION SUMMARY**

The Leicester (VR 1591) Vancouver, BC		January 28, 2024
Building CRN	2,752,500	
Contents CRN (appliances)	49,500	
Site Improv. CRN	100,000	
Cost of Demolition	98,000	
By-law Review	618,000	
<b>TOTAL CRN</b>	<b>\$3,618,000</b>	

## CERTIFICATE OF VALUATION

We, *VALUATIONS WEST*, 1520 Lonsdale Avenue, North Vancouver, British Columbia do hereby certify that we have appraised the specified assets described within the body of this report which are owned by Strata VR 1591, known as The Leicester, in the City of Vancouver, BC.

It is our opinion that, as of January 28, 2024 the capital value of the property identified is:

Cost of Reproduction New (CRN)	\$3,618,000.
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*VALUATIONS WEST*, its employees, and/or affiliates have no interest, present or prospective in the appraised property, and neither the employment to make this appraisal nor the compensation for it is contingent upon the amount of the valuation reported.

We certify that we have made a site inspection of the property identified in this report.

We certify that, according to the best of our knowledge and belief, the opinion of value contained in this report is correct, subject only to the assumptions and limiting conditions.

*VALUATIONS WEST*

Brett A. Humphreys  
President

40' FIRE LANE





## CLASSIFICATION OF CONSTRUCTION

### CLASS "A"

The Class A building is considered "Fire Resistive", having structural steel frames with masonry, concrete, plaster or other non-combustible material fireproofing, masonry walls, concrete or masonry floors and roof decks with fireproofing.

### CLASS "B"

Class B buildings are typically constructed of reinforced concrete framing, masonry walls, concrete or concrete on steel deck floors and roof with fireproofing. This building is constructed of non-combustible materials, which enables it to withstand some degree of fire severity, however it does not qualify as "Fire Resistive".

### CLASS "C"

This class of building has exterior walls of non-combustible materials, or walls of limited combustible ratings and stability under fire conditions. Typically, these buildings have masonry load-bearing walls without supports, or open steel, wood or concrete frames with wood or concrete floors and roofs, on wood or steel decks.

### CLASS "D"

Class D buildings generally have wood or steel frame load-bearing walls, floor and roof structure. They may have a concrete floor on grade and other substitute materials, but are considered combustible construction. Included in this category are frame and stucco, siding or brick veneer finished buildings.

### CLASS "S"

This building has frames, roofs, and walls of incombustible metal. This class includes the pre-engineered metal buildings.

***There will be variations and combinations within each class of construction. Some buildings are built which are "hybrids" in construction, such as those with Class D framing and structure, but with underground reinforced concrete parkades. In this case we have used good judgement in adjusting costs for those elements of the building which are outside its class of construction.***

## DEFINITION OF TERMS

Cost of Reproduction - The cost of reproducing a new duplicate or replica property on the basis of current prices with the same or closely similar materials, embodying all the deficiencies, superadequacies and obsolescence of the property.

Cost of Replacement - The cost of acquiring or constructing a new property of equal utility.

Depreciation - A loss in value from many causes, principally, factors of deterioration. Deterioration may be evidenced by wear and tear, decay, dry rot, cracks, encrustations, corrosion or structural defects. For the purpose of this appraisal, physical deterioration may be assessed using the age/life method plus observed depreciation, with full consideration given to renovations and preventive maintenance programs.

Effective Age - For the purpose of this appraisal, the Effective Age is the difference between Physical Life and Remaining Life Expectancy of a structure. The Effective Age may be greater or less than the property's chronological age depending on its condition and maintenance care.

Physical Life - The period of time over which a new structure may reasonably be expected to remain in existence.

Remaining Life Expectancy - The number of years that a structure may be expected to perform the function for which it was designed.

Fee Simple Interest - A legal right of real property ownership, subject only to the limitations of existing mortgages and the usual statutory powers of the various levels of government.