

February 2022

COST ESTIMATE UPDATE REPORT INCREASE

With regards to the attached CRN update report, we would like to explain the increase in the reported CRN estimates.

The outbreak of COVID-19, declared by the World Health Organization as a “Global Pandemic” on March 11, 2020, has and continues to impact many aspects of daily life and the global economy. Markets (including real estate markets, building material markets, and labor markets for example) have and continue to display significant price volatility and supply disruptions.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and various markets globally and construction costs have been one item that has seen a dramatic increase. This is a result of a sharp increase in demand for building materials combined with supply chains struggling to keep up. In addition, a booming construction industry has resulted in higher labour costs due to a shortage of skilled workers. Together, these factors have had a significant impact on construction costs and have therefore led to an increase in our reported construction cost estimates.

If you require any further information, please do not hesitate to contact our office at your convenience.

On behalf of,
SUNCORP VALUATIONS



Managing Director, Private Sector Valuation Group

Andrea Grant, ASA