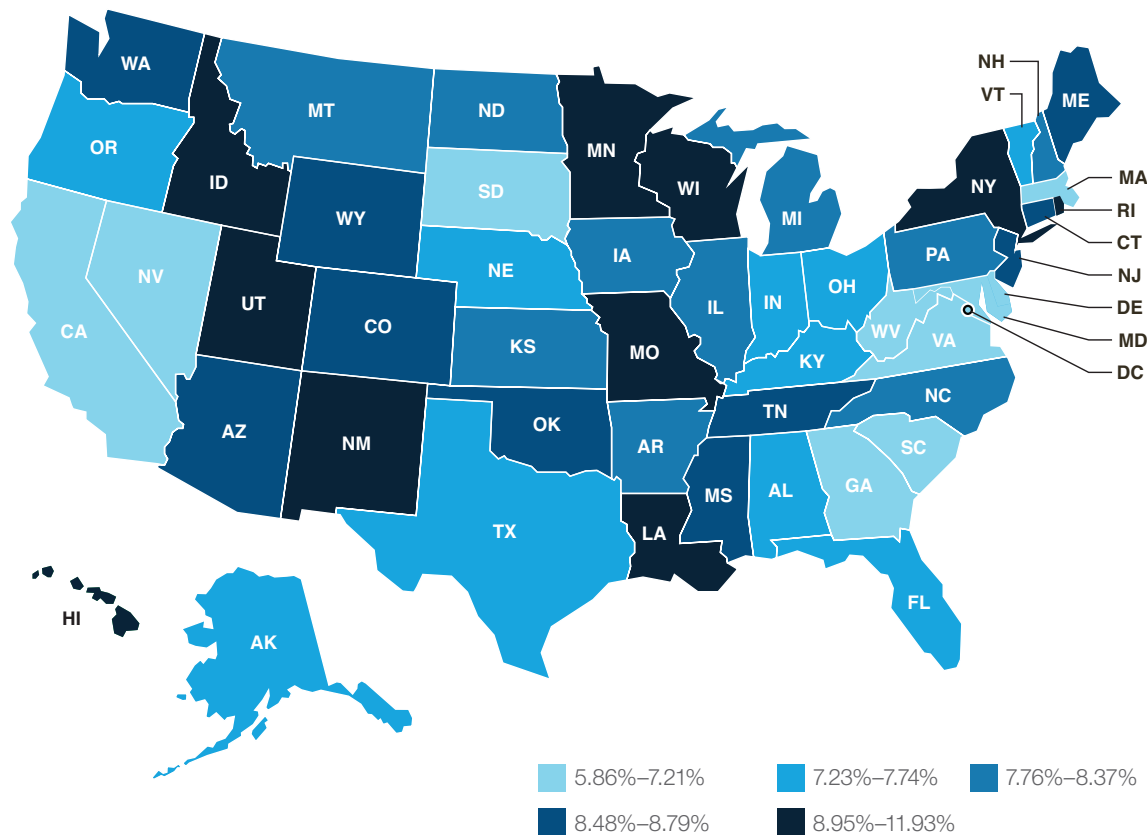


This report provides reconstruction cost trends at the national and state levels. 360Value® Quarterly Cost Updates are derived from building cost research conducted by industry leader Xactware.®

Reconstruction costs continue to rise as lumber prices reach new heights

Total reconstruction costs, including materials and retail labor were up 8.12% from April 2020 to April 2021, moderating slightly from 9.1% growth in the January 2020 to January 2021 period. Driving the continued overall increase was a sharp rise in lumber costs, which rose 84.71%. This jump followed a 54% increase in the prior reporting period. Quarterly costs were up 1.21%, up from 0.8% in the prior quarter.

Reconstruction costs increased in all states. Idaho, Hawaii, and New Mexico had the biggest increases at 11.93%, 11.06%, and 10.1%, respectively. California had the lowest change at 5.86%.



Changes in reconstruction costs by state.

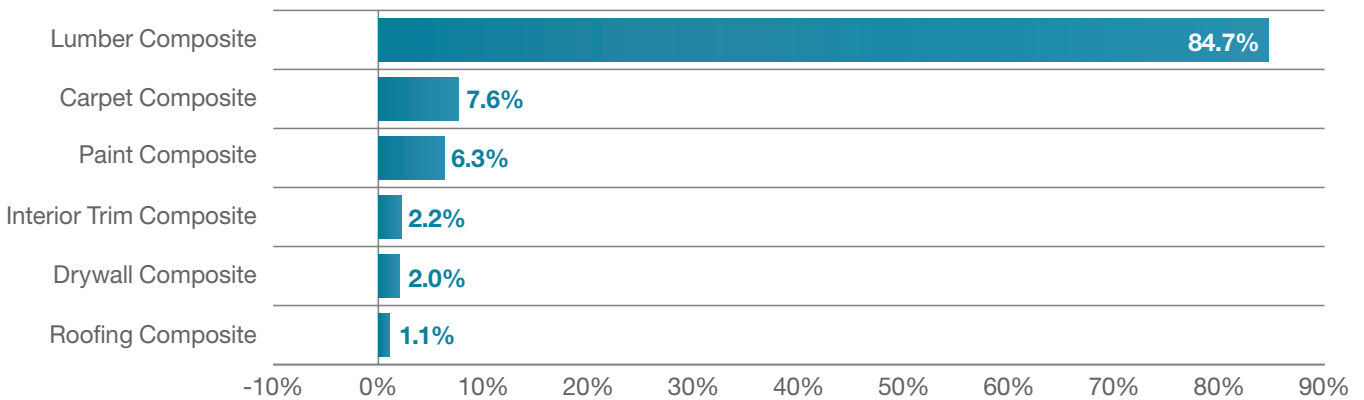
States are grouped in quintiles; each range/color in the legend includes 20% of the total number of states.

*All rates, percentages, increases, decreases, etc., are calculated as percentage changes from April 2020 to April 2021, unless otherwise noted.

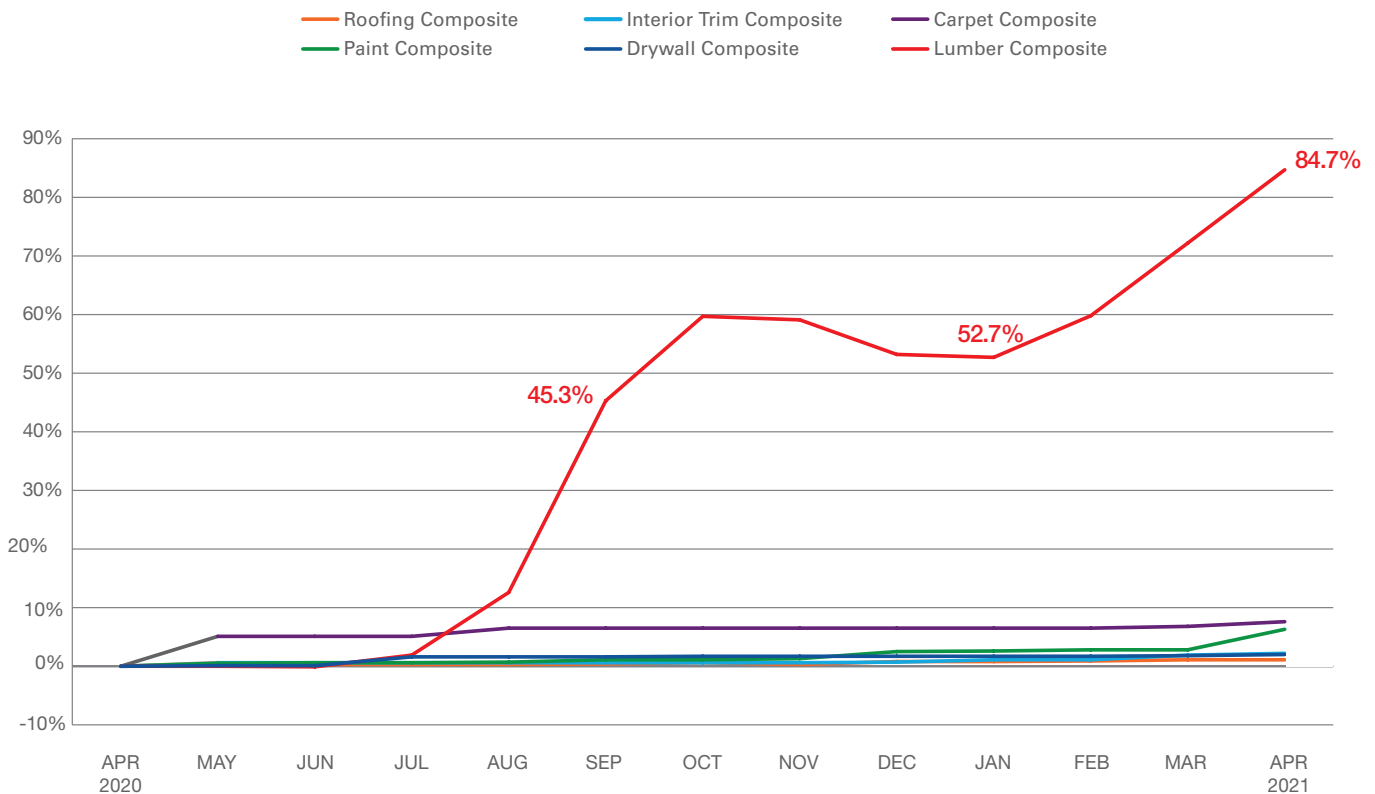
Material Cost Analysis

Combined costs for material composites increased 15.2% from April 2020 to April 2021, compared with 14.2% from January 2020 to January 2021. Costs were up for all categories. Lumber costs rose 84.71% as the market reflected ongoing high demand from increased building activity, supply shortages driven by pandemic-related shutdowns earlier in the year, and reduced production. Carpet was a distant second with a 7.63% increase, and paint followed at 6.25%. The remaining categories increased 1.1% to 2.22%.

Percentage change in costs



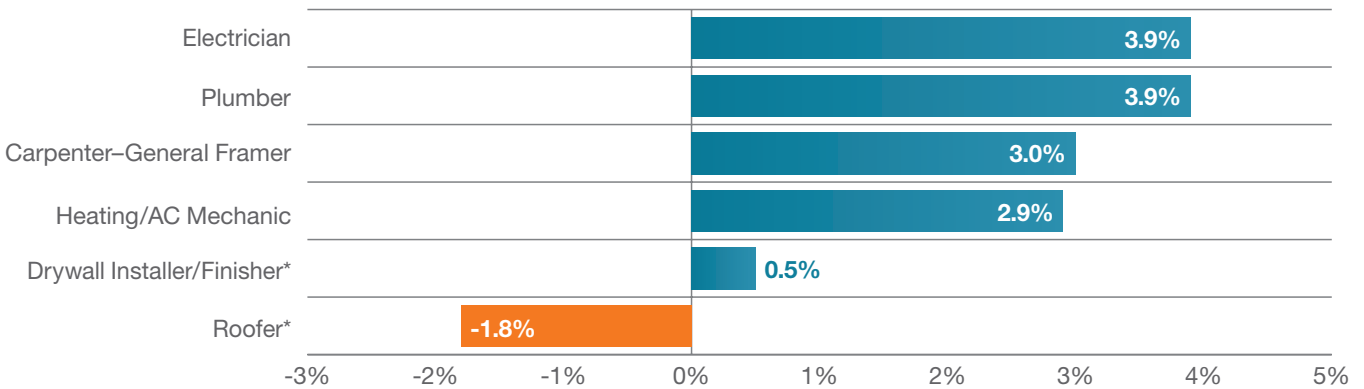
Percentage change in costs by month



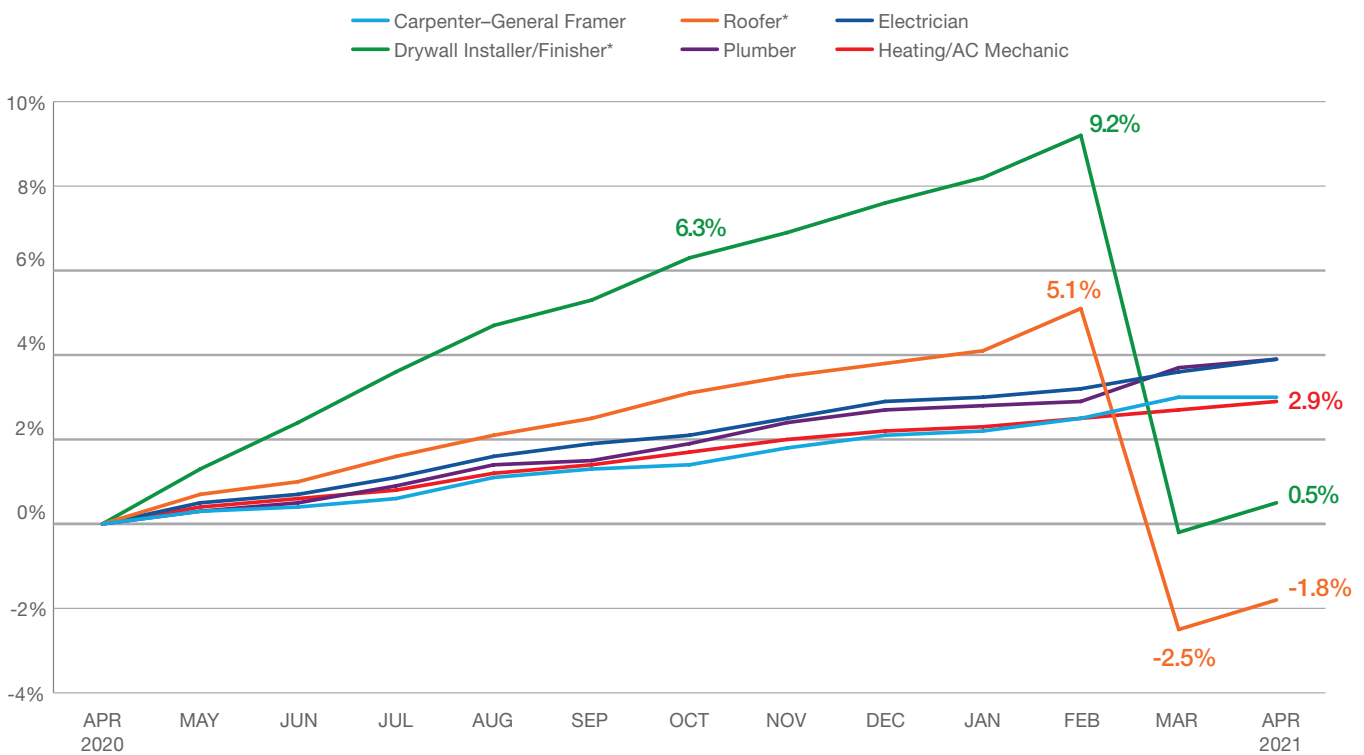
Labor Cost Analysis

Combined hourly retail labor rates increased 3.8% from April 2020 to April 2021, about half the 7.9% rise from January 2020 to January 2021. Looking at a sample of six construction trades, electrician costs increased the most, at 3.93%. Plumber cost increases were in second place at 3.87%. Roofer costs were the only category that declined, dropping 1.79%.

Percentage change in costs



Percentage change in costs by month




* Based on a recent survey conducted with a large group of contractors in multiple states and provinces, we've changed an assumption in our cost calculations, increasing the time for driving and picking up materials/equipment from 30 to 60 minutes. The impact this has on the unit prices and hourly labor rates will vary based on feedback and on recent random sample surveys with contractors for labor and line item pricing. For example, in some trades where it is more common for contractors to quote unit pricing over an hourly labor rate, it may be that the current hourly labor rate was adjusted downward so the unit prices stayed constant.

About this report

360Value Quarterly Cost Updates are derived from building cost research conducted by industry leader Xactware, a Verisk business, and validated at a highly localized level.

Our comprehensive research process includes real-time feedback on reconstruction costs from tens of thousands of contractors and claims adjusters, extensive material and labor cost surveys, and analysis of more than 5 million actual damage repair estimates for claims each year.

The data contained in this report should not be used as the basis for underwriting, coverage, rating, or renewal decisions, as changes in replacement costs vary dramatically at the individual property level.

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