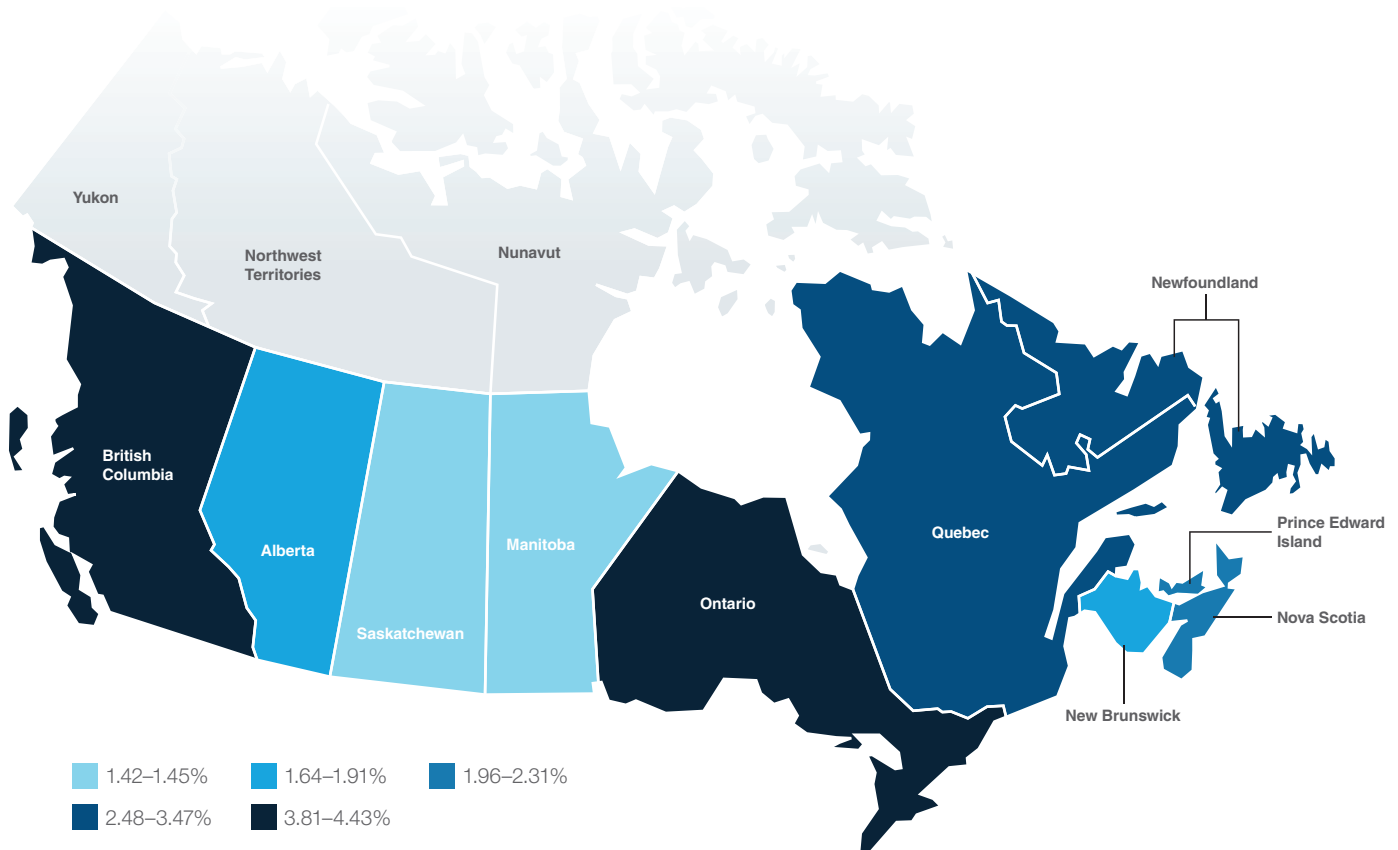


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost growth rate continues to decline

Total reconstruction costs, including materials and retail labour, increased 2.5 per cent from July 2018 to July 2019*, revealing a pattern of declining cost growth rates. Costs increased 3.0 per cent from April 2018 to April 2019, 3.6 per cent from January 2018 to January 2019, and 3.9 per cent from October 2017 to October 2018. During the second quarter of 2019 (April through June), reconstruction costs grew very little, at 0.5 per cent.

All provinces experienced cost increases. Ontario, British Columbia, and Newfoundland continued to have the highest growth rates, at 4.4 per cent, 3.8 per cent, and 3.5 per cent, respectively. Manitoba and Saskatchewan once again had the lowest increases, at 1.4 per cent each.



Changes in reconstruction costs by province.

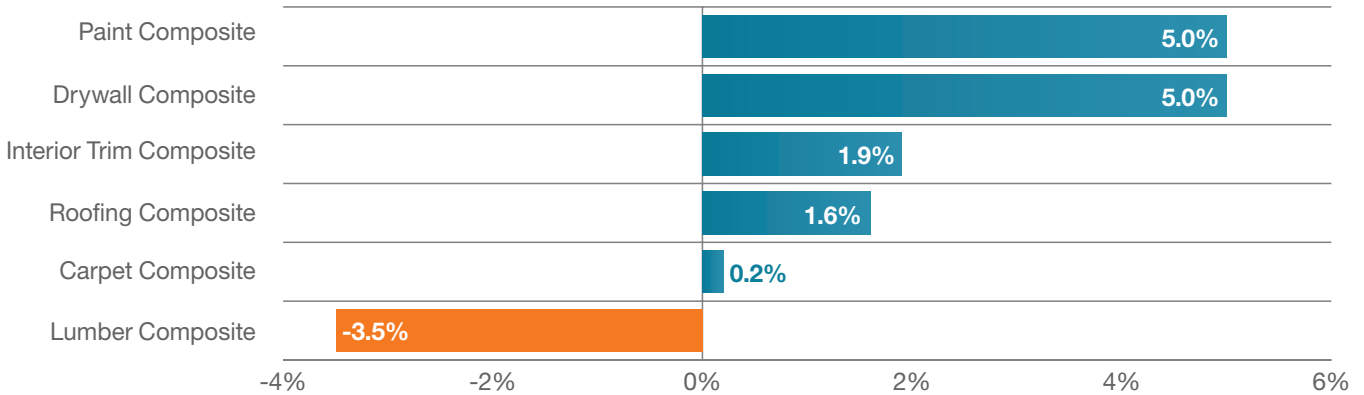
Provinces are grouped in quintiles; each range/color in the legend includes 20 per cent of the total number of provinces.

*All rates, percentages, increases, decreases, etc., are calculated as percentage change from July 2018 to July 2019, unless otherwise noted.

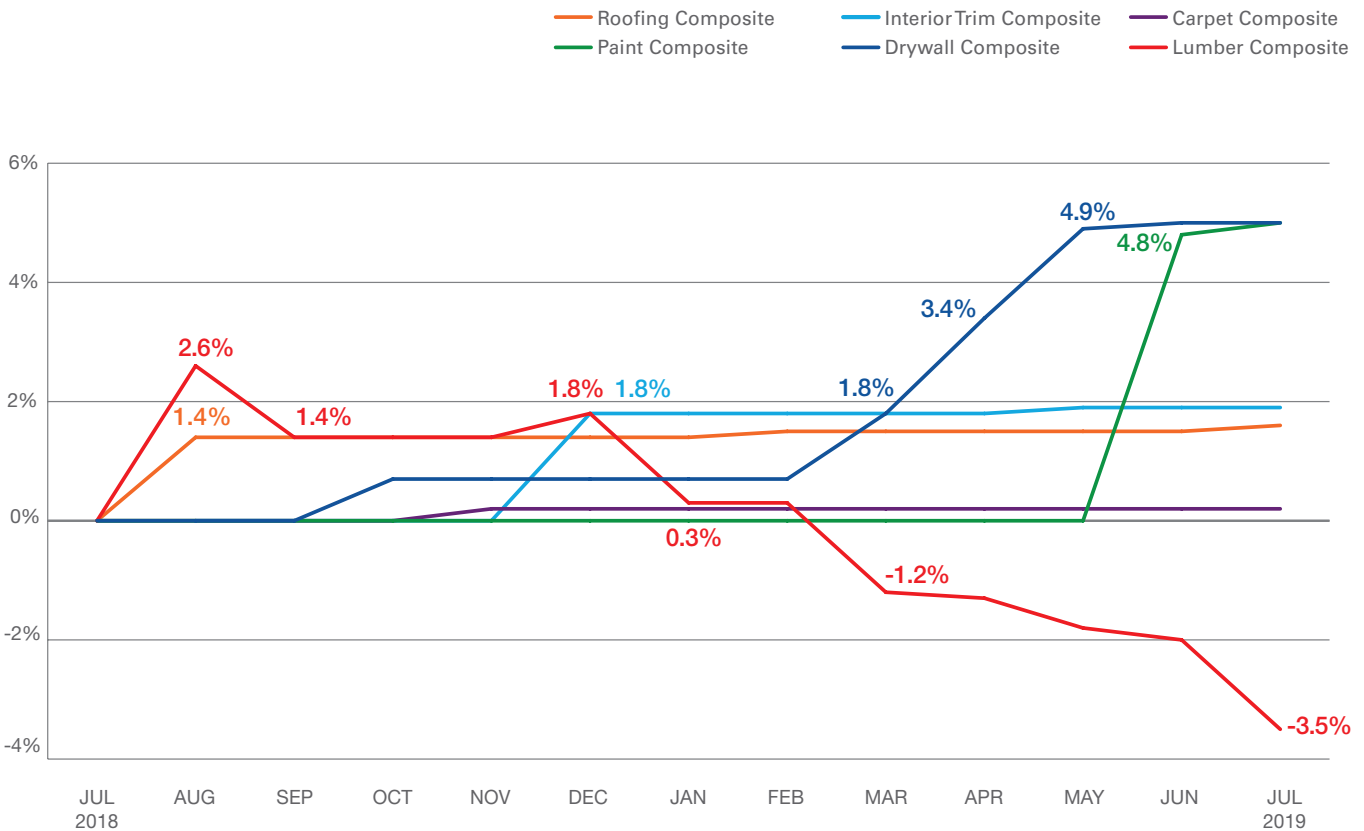
Material Cost Analysis

Total material costs rose 1.8 per cent from July 2018, revealing a pattern of decreasing growth in costs. Lumber remained the lowest category, with costs declining. Paint and drywall increased the most, at 5.0 per cent each. Paint increased sharply in June, while drywall showed steady growth from March to May. Generally, all other categories showed steady growth each month, with interior trim and roofing close to 2.0 per cent total growth and carpet increasing just 0.2 per cent.

Percentage change in costs



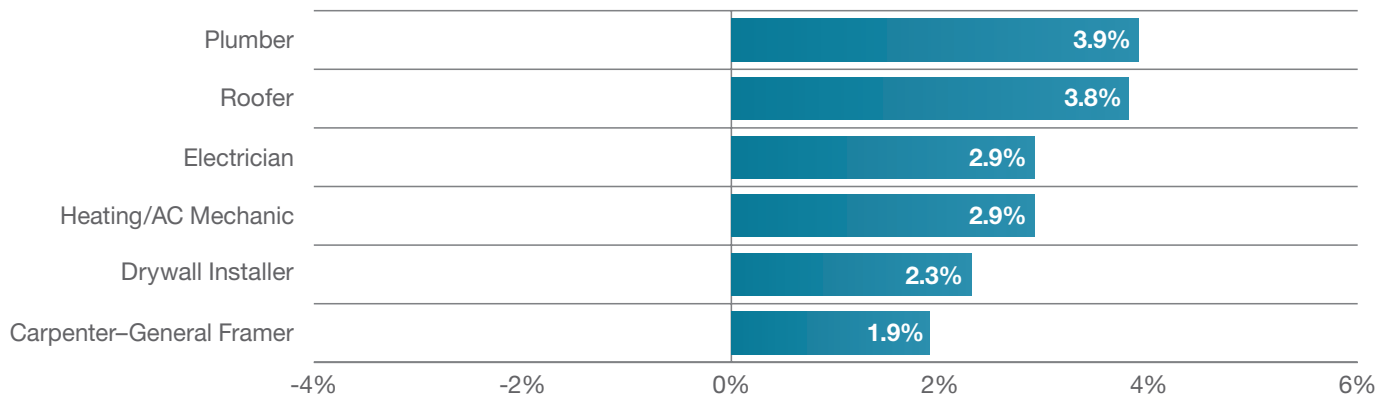
Percentage change in costs by month



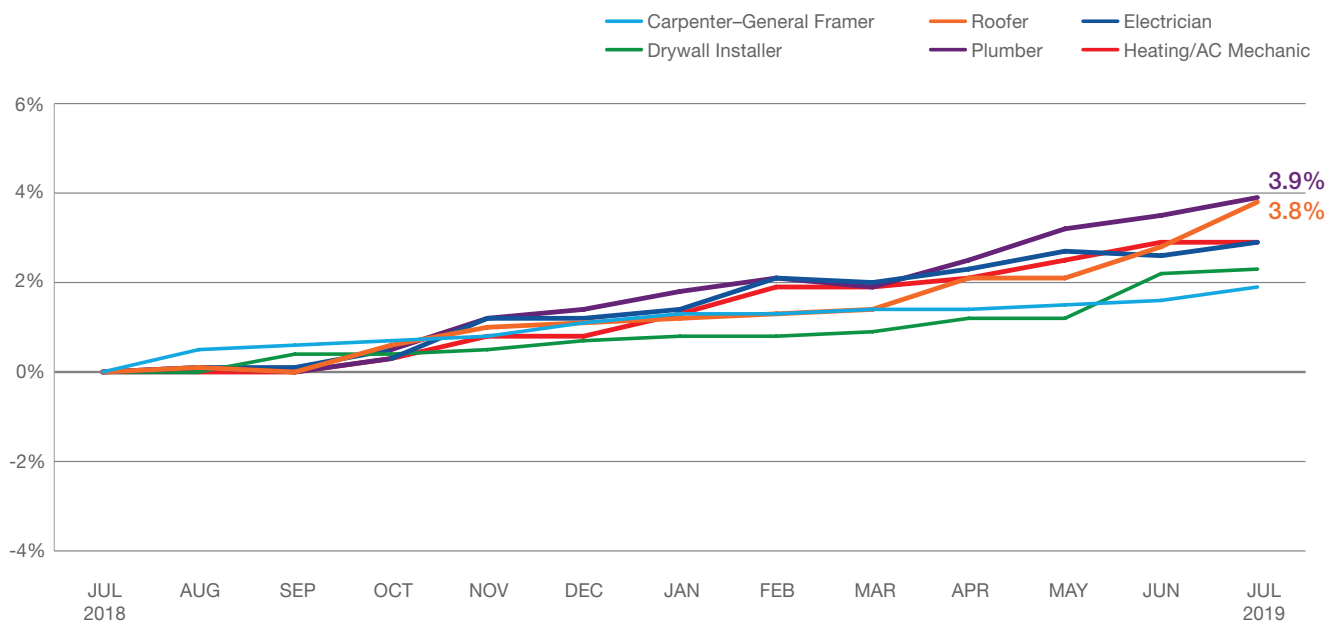
Labour Cost Analysis

Total labour costs increased 3.5 per cent from July 2018, consistent with the 3.6 per cent growth in the second quarter of 2019. Cost increases for all six major labour trades grew steadily. Of note, roofer costs saw big increases in June and July. Plumber costs grew the most, with roofer cost trailing closely behind. Carpenter – general framer costs increased the least, at 1.9 per cent.

Percentage change in costs



Percentage change in costs by month




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 labour 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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