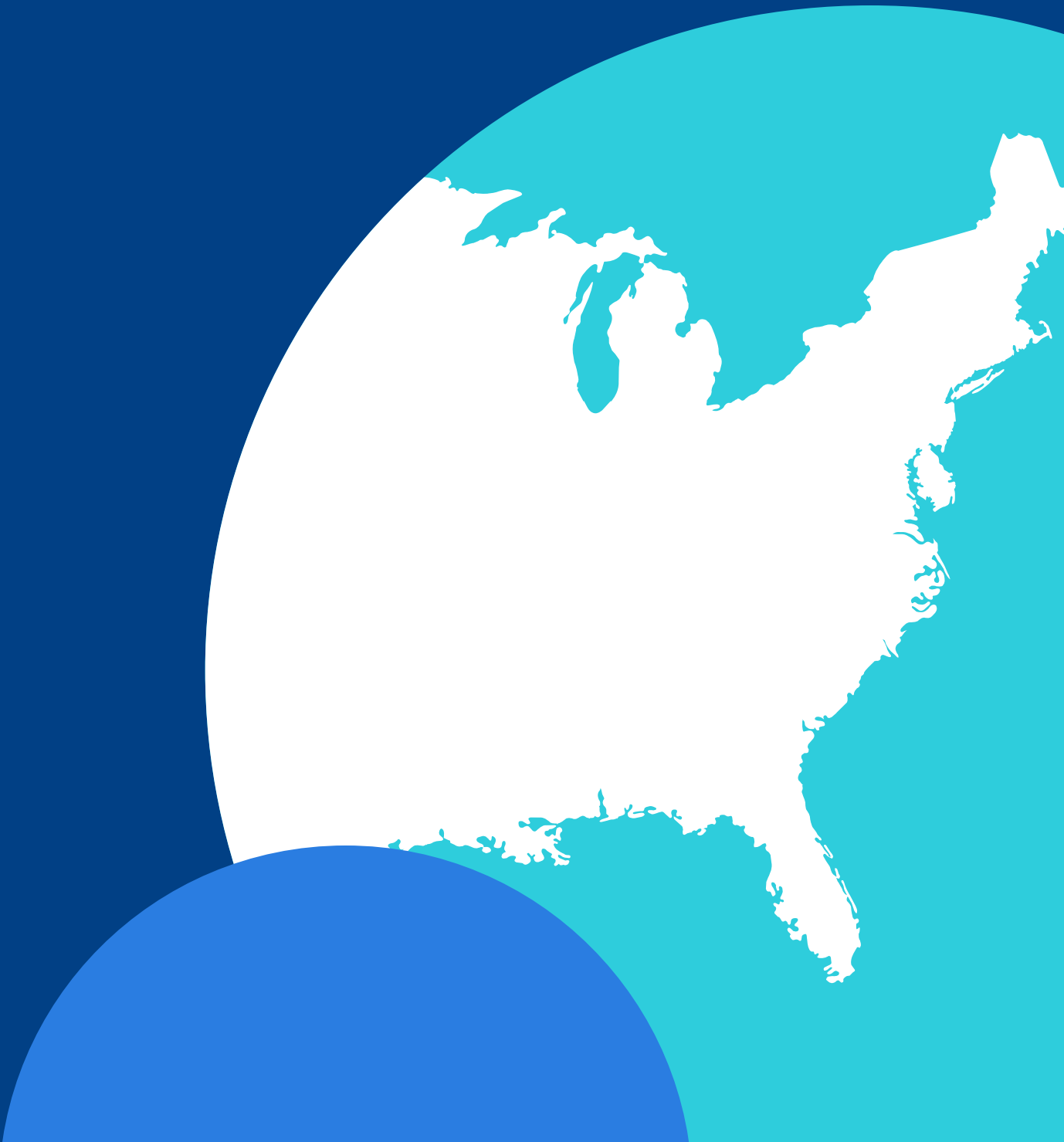




360Value Quarterly Reconstruction Cost Analysis

Q3 2022: United States



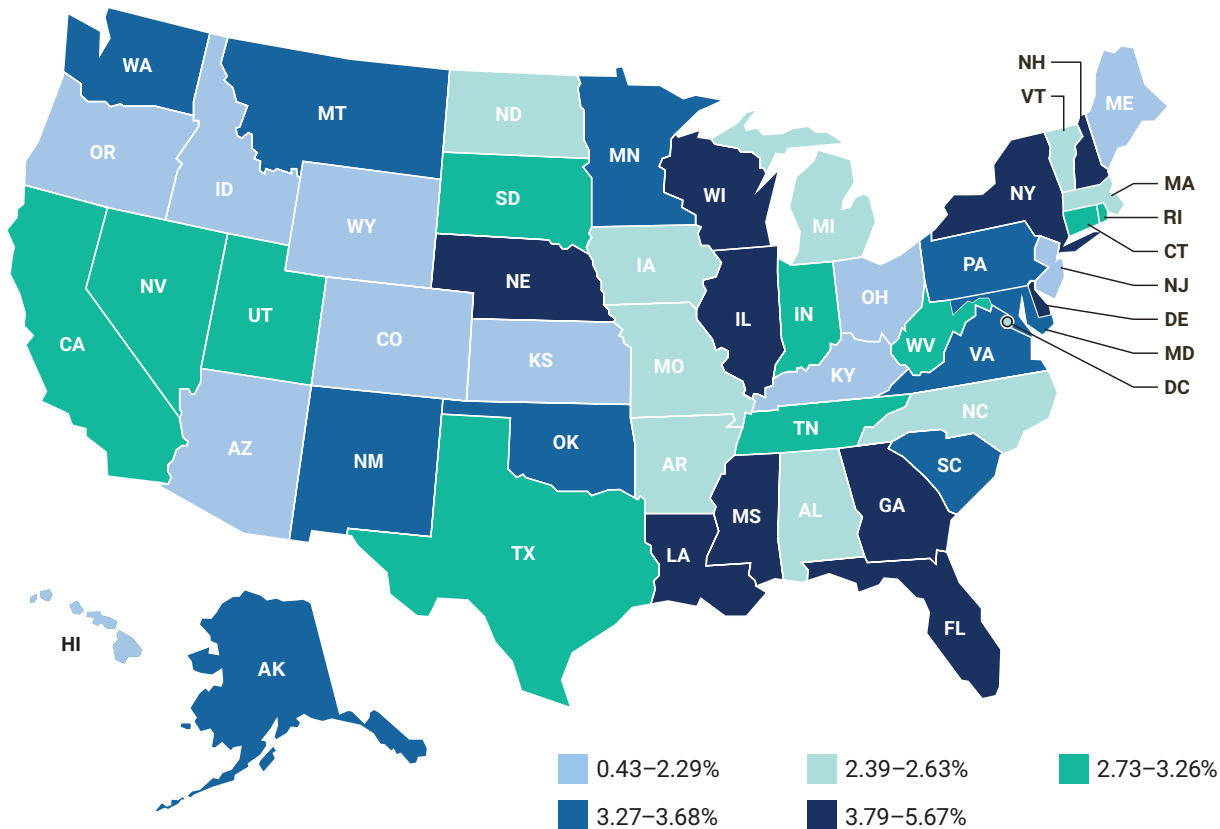
This report provides reconstruction cost trends at the national and state levels. The 360Value® Quarterly Reconstruction Cost Analysis is derived from building cost research conducted by Verisk using the industry-leading Xactimate estimating solution.

Reconstruction cost rise slows— but from historic peaks

Total reconstruction costs, including materials and retail labor, increased 3% from July 2021 to July 2022, down from a 13.5% jump recorded from April 2021 to April 2022. But the slowdown is less drastic than it appears because costs in July 2021 were at one of multiple peaks seen during the pandemic. More broadly, costs remain high amid continuing inflation and elevated fuel prices, which add expense to producing and transporting goods. One persistent cost driver in recent years, lumber, dropped 28.1% year-over-year in July—but again, from historic highs. Quarterly reconstruction costs dipped 1.1%, following a 7.1% increase in April.

Residential Reconstruction Costs

Reconstruction costs increased in all states. New Hampshire had the largest increase at 5.7%, followed by Delaware and New York at 5.3% and 4.7%, respectively. Oregon had the most significant change in rank, falling from the ninth highest cost increase in April 2022 to 48th in July 2022; costs were up 1% in the year-over-year period. The smallest increase was in Wyoming, just 0.4% between July 2021 and July 2022.



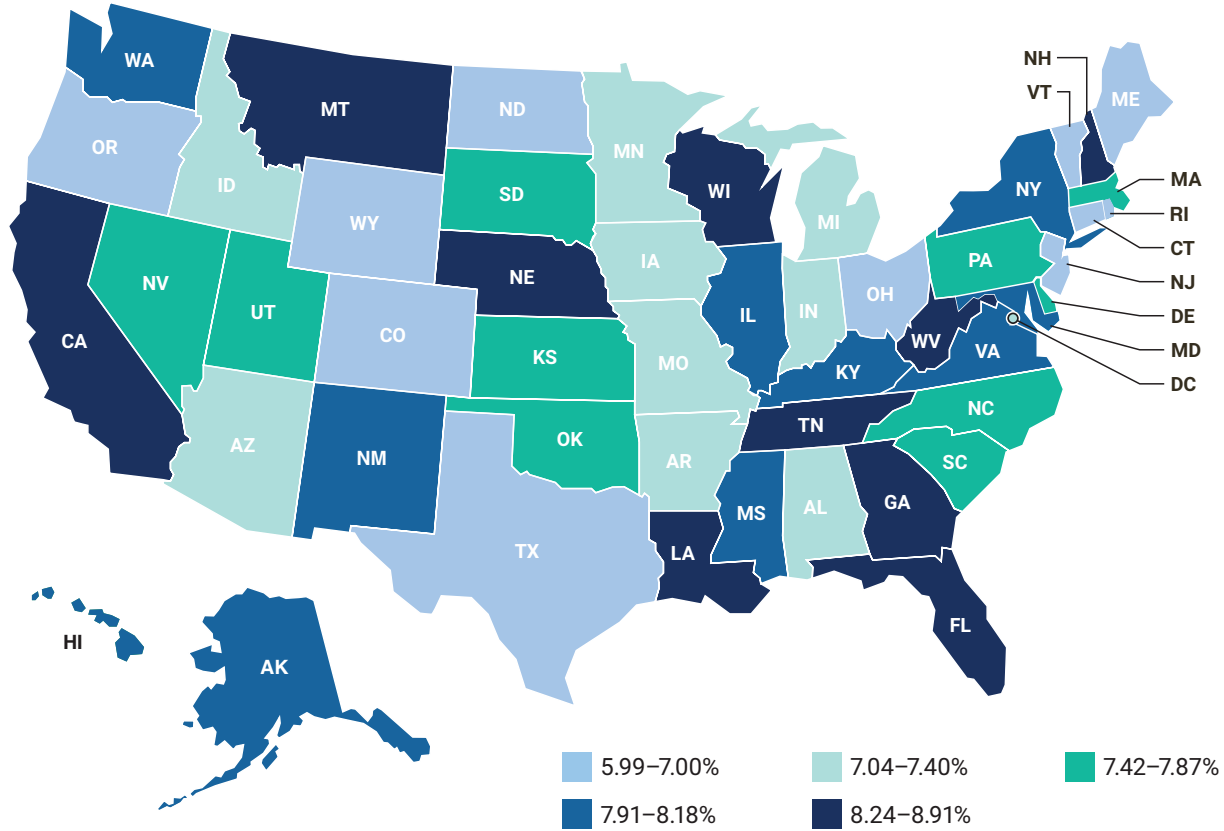
Changes in reconstruction costs by state.

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 July 2021 to July 2022, unless otherwise noted.

Commercial Reconstruction Costs

Every state saw higher reconstruction costs. Nebraska had the largest increase at 8.9% with Louisiana and Wisconsin following at 8.7% and 8.6%, respectively. Maine had the largest shift in rank, down from the 10th highest cost increase in April 2022 to 45th in July 2022, with prices rising 6.7% in the year-over-year period. In last place, Wyoming's costs rose 6% between July 2021 and July 2022.



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.

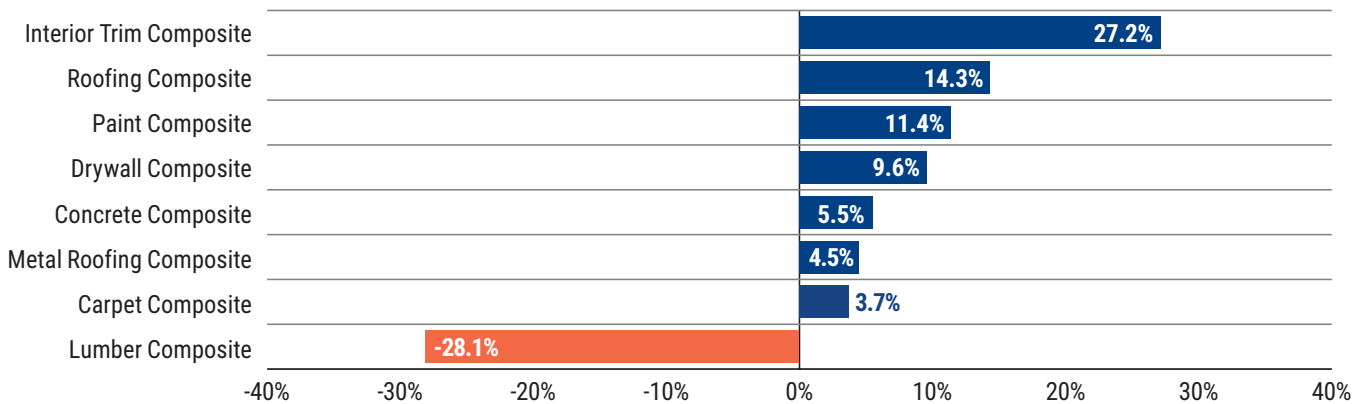
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Material Cost Analysis

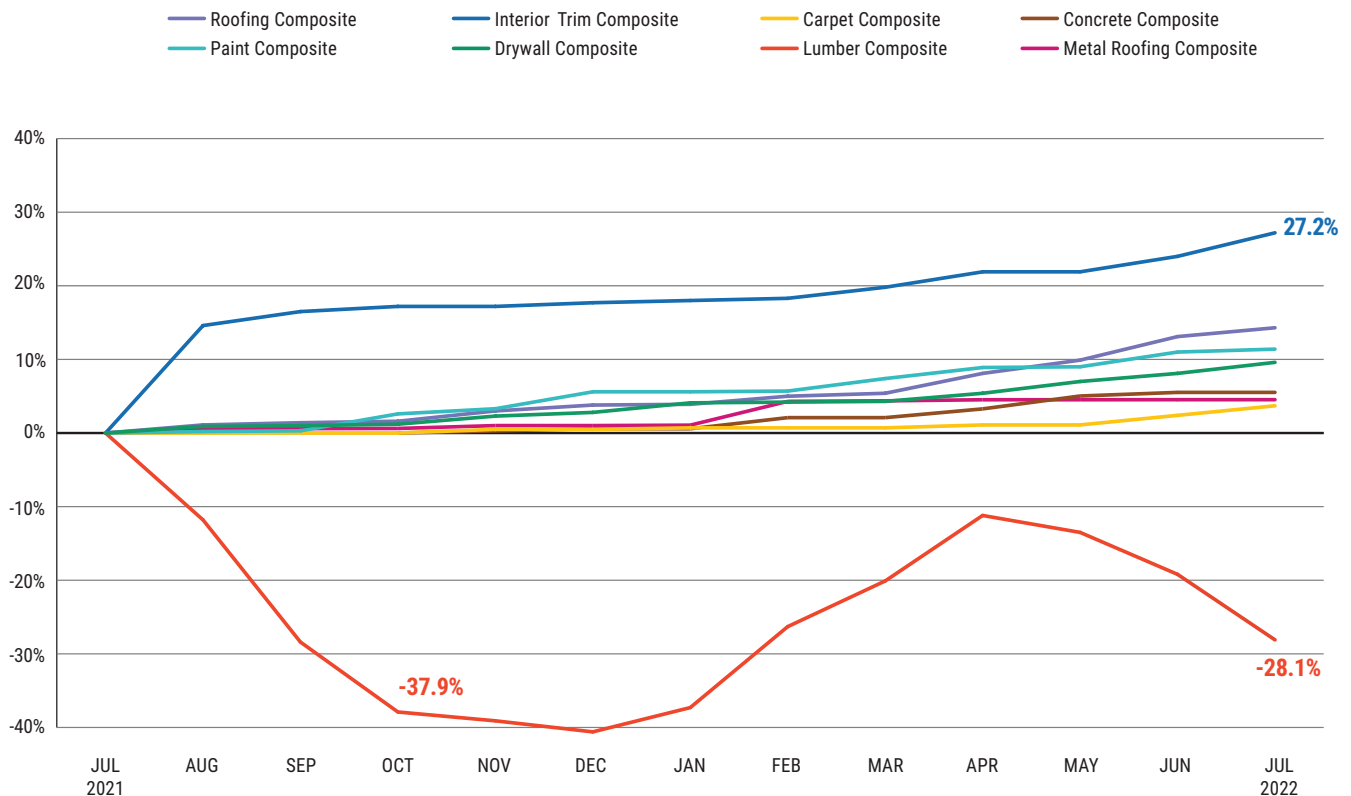
Combined costs for material composites dipped 0.8% from July 2021 to July 2022, nearly flat after a 16.5% surge from April 2021 to April 2022. All categories were up except lumber, which has been a primary driver of material costs since its historic rise began in 2020. From those peaks, lumber was down 28.1% from July 2021 to July 2022. In the April-to-April period, lumber rose 28.7%. Lumber-derived finished goods still rose, including interior trim composite with a 27.2% year-over-year jump.

The continuing oil price surge—with gasoline topping \$5 a gallon in mid-June—affected most categories. This included roofing composite, which is petroleum derived and was up 14.3% year-over-year. Paint increased 11.4%, reflecting both oil prices and broader supply-chain issues that contributed to a shortage.

Percentage change in costs

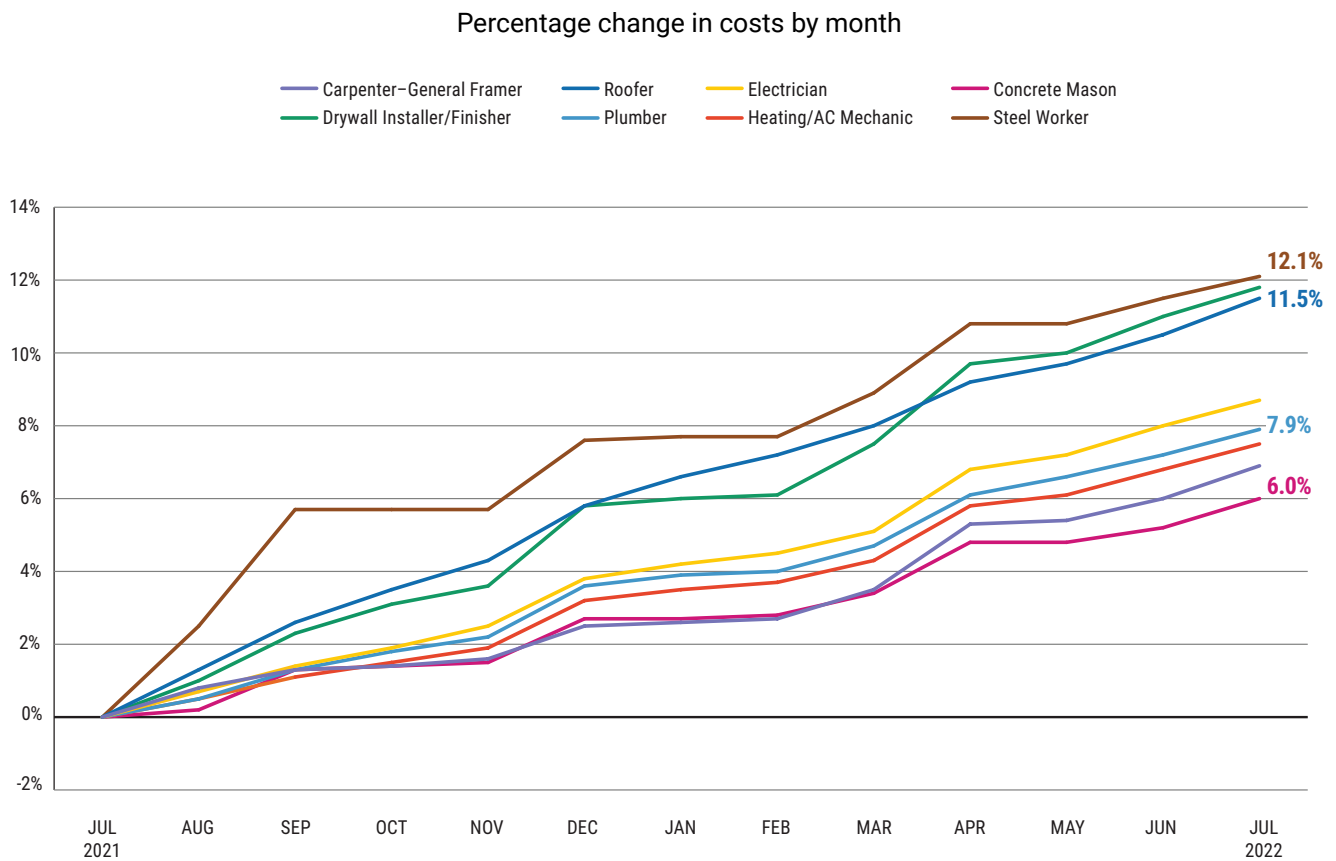
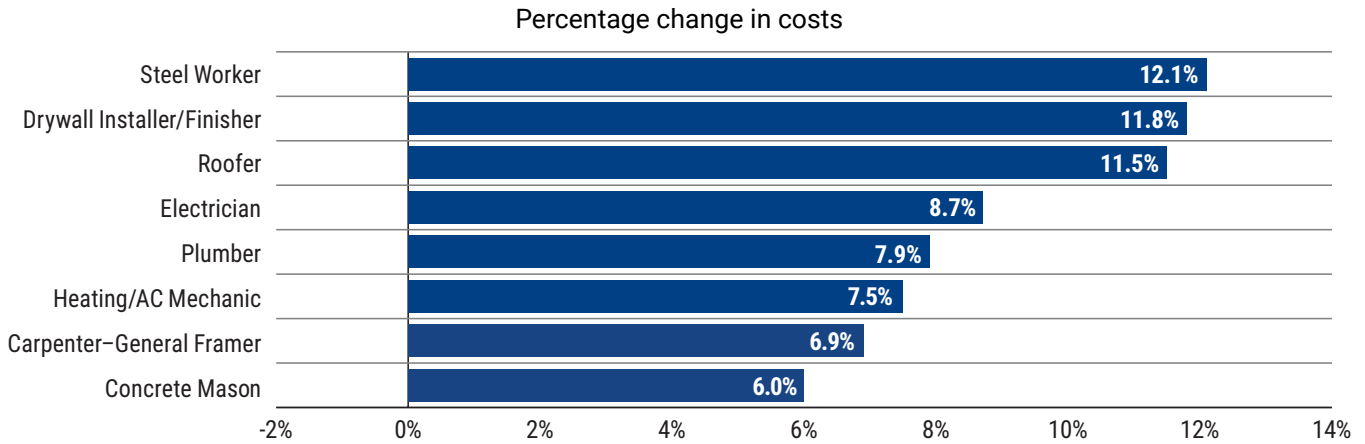


Percentage change in costs by month



Labor Cost Analysis

Combined hourly retail labor rates increased 9.8% from July 2021 to July 2022, down slightly from the 10.4% increase recorded from April 2021 to April 2022. Steel worker and drywall installer/finisher costs increased the most, rising 12.1% and 11.8%, respectively. Roofer costs were up 11.5%, while electrician costs were up 8.7%. Plumber costs rose 7.9% and heating/AC mechanic costs were up 7.5%. Carpenter/general framer costs were up 6.9% and concrete mason costs were up 6.0%.



Fuel cost increases were included in the Retail Labor Rates for the July 2022 publication based on the national average increase of fuel between May 23, 2022 and June 13, 2022. Retail Labor Rates in the United States were increased a minimum of \$0.40 per hour. More detailed information can be found in this [news release](#).

About this report

The *360Value Quarterly Reconstruction Cost Analysis* is derived from building cost research conducted by Verisk using the industry-leading Xactimate estimating solution.

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.

Verisk also updates reconstruction costs monthly to support providing reliable and timely pricing information.

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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