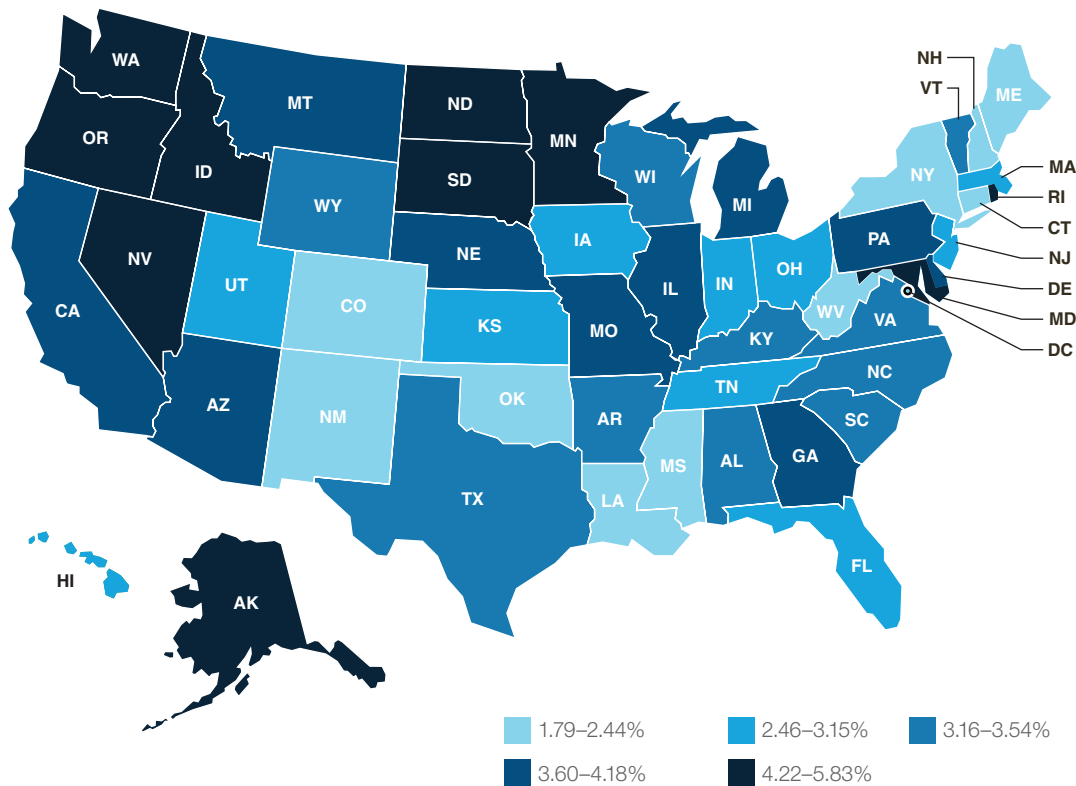


This report provides reconstruction cost trends at the national and state levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

# Reconstruction cost growth steadies after slowing in 2018

Total reconstruction costs, including materials and retail labor, increased 3.4 percent from October 2018 to October 2019.\* Total cost growth has steadied, following a pattern of decreasing growth throughout 2018. Costs rose very little in the third quarter of 2019 (July through September), at 0.9 percent.

Reconstruction costs increased in all states. Washington, Maryland, and Oregon had the highest changes, at 5.8 percent, 5.3 percent, and 4.9 percent, respectively. Oklahoma had the lowest change, at 1.8 percent. Notably, cost changes in Alaska have been variable. The state had the seventh highest growth, an increase of nine rank positions. Previously, it increased 35 rank positions after decreasing 22 positions.



Changes in reconstruction costs by state.

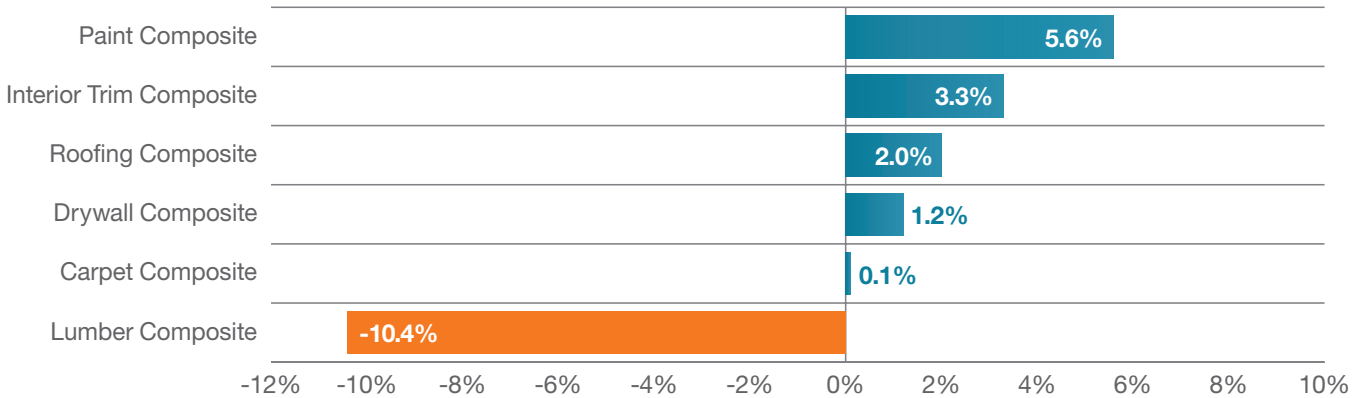
States are grouped in quintiles; each range/color in the legend includes 20 percent of the total number of states.

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

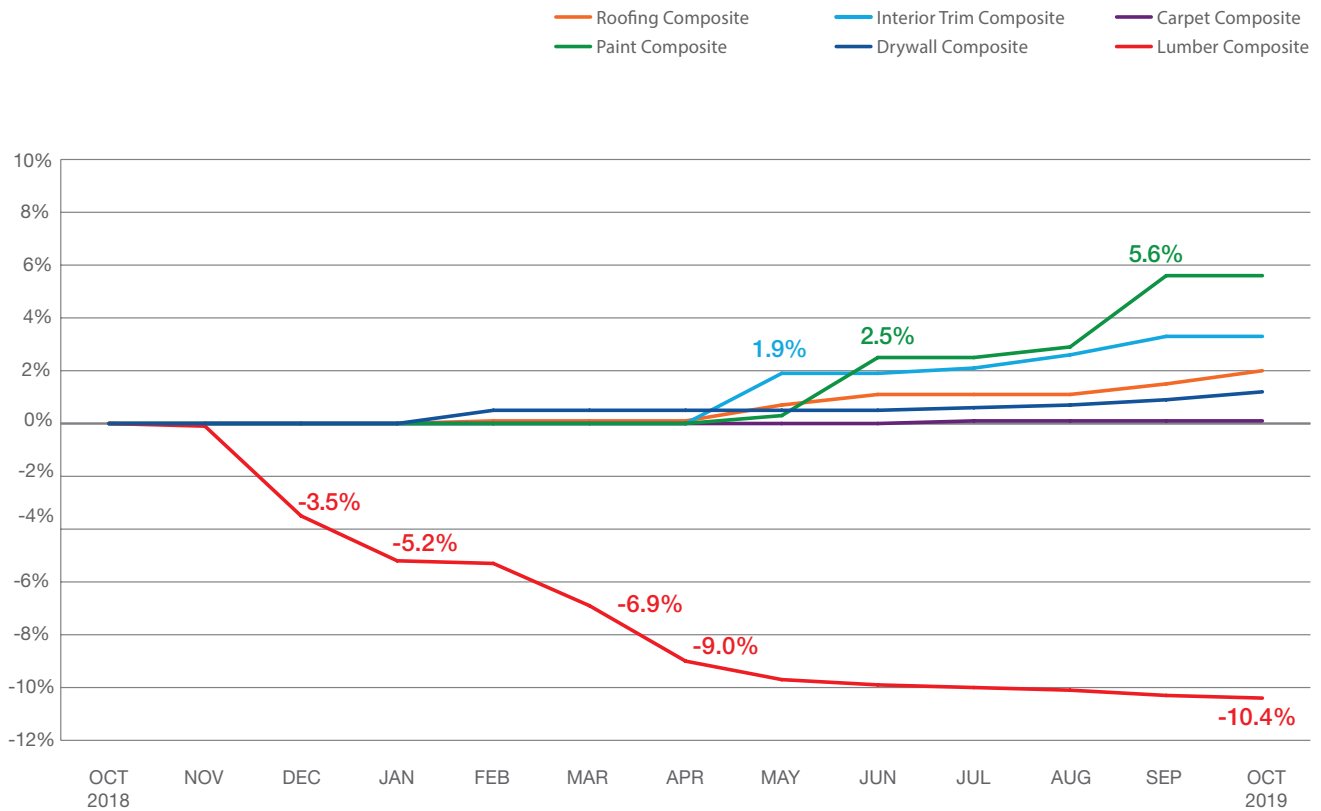
### Material Cost Analysis

Combined costs for material composites increased 1.2 percent. Costs were up for all categories except lumber. Though lumber costs recently skyrocketed, they're now trending downward, reaching negative 10.4 percent. Paint costs increased sharply in June and September, landing at total growth of 5.6 percent. In June, the increase resulted from paint/varnish stripper, and in September from exterior and oil-based stains. Interior trim showed an increase in May that resulted from the cost of baseboard. The remaining categories increased just 0.1 to 2.0 percent

Percentage change in costs



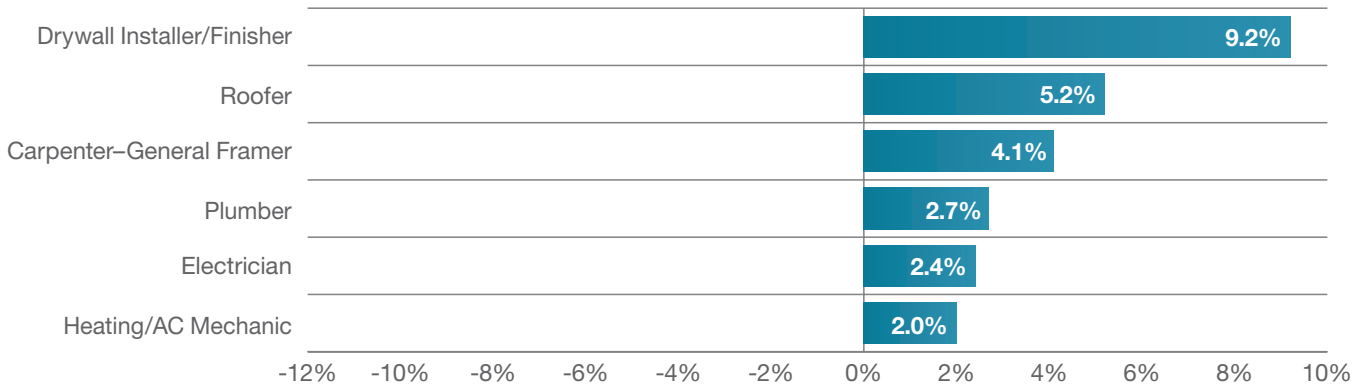
Percentage change in costs by month



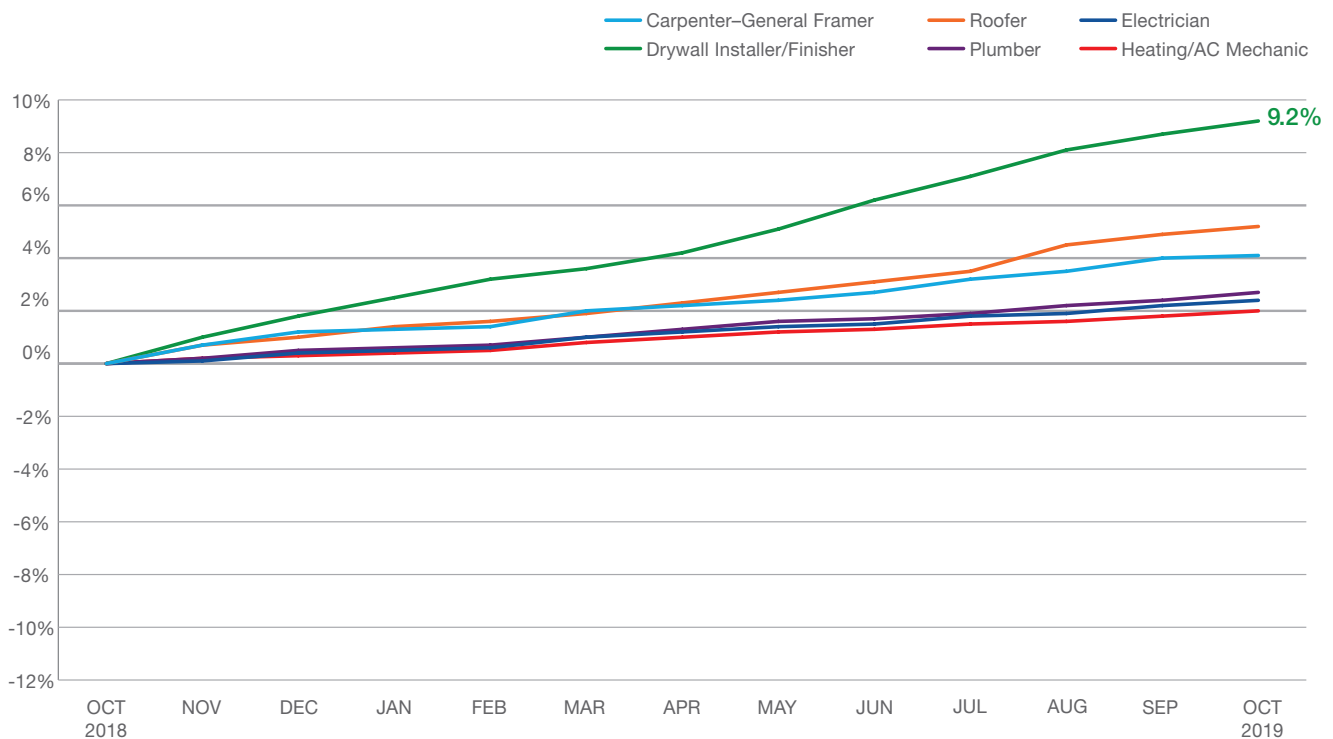
### Labor Cost Analysis

Combined retail labor costs increased 4.4 percent, consistent with the preceding quarter. All common labor trades saw steady cost increases. Drywall installer/finisher costs continued to increase the most, at 9.2 percent. Roofer cost increases trailed by a large margin at 5.2 percent. Heating/AC mechanic costs continued to have the lowest total increase, at 2.0 percent.

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 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.

 1-800-444-4554, option 3

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