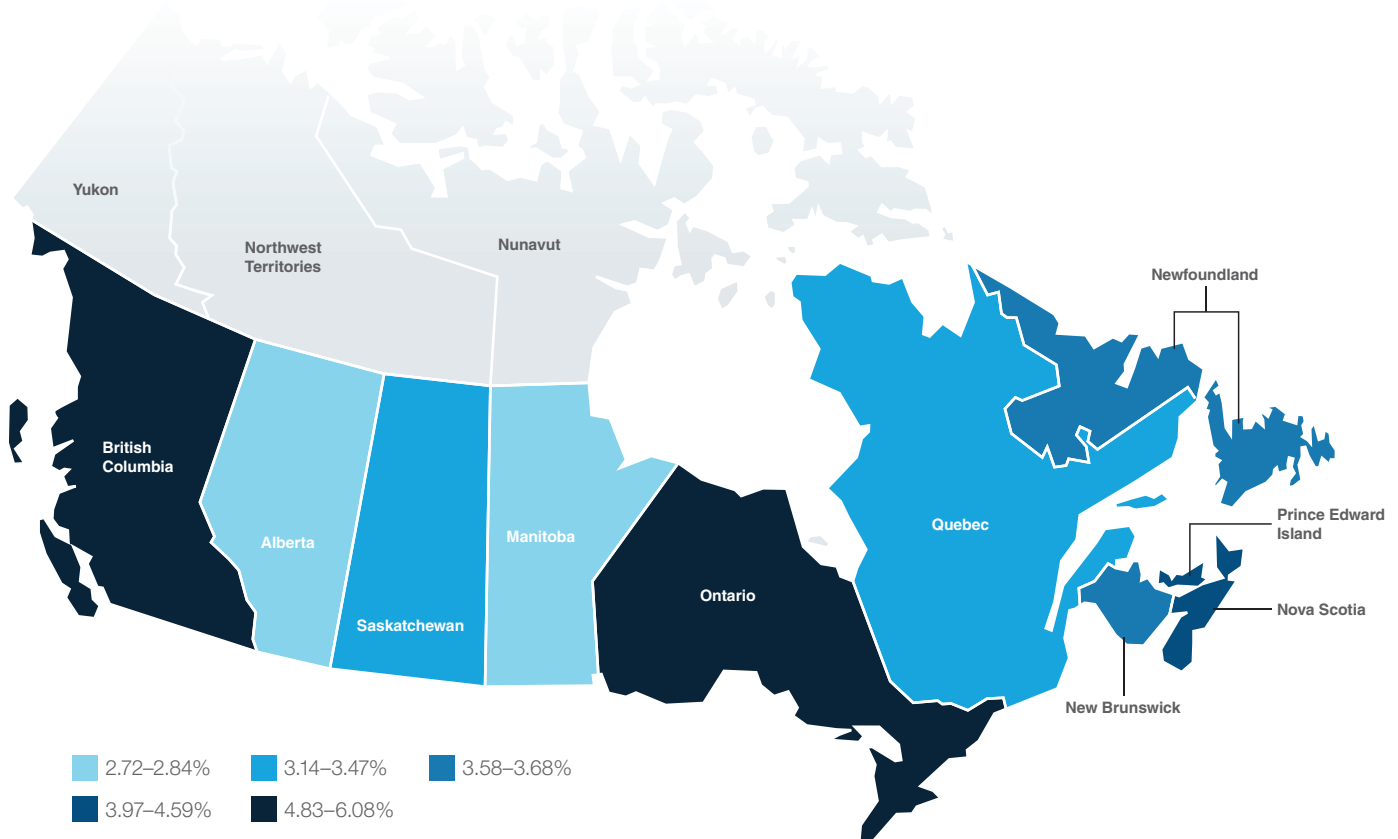


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost increases remain consistent

Total reconstruction costs, including materials and retail labour, increased 3.9 per cent from October 2017 to October 2018,* matching the total increase from July 2017 to July 2018. During the third quarter of 2018 (July to September), reconstruction costs were up 0.9 per cent.

All provinces experienced cost increases. The top three remained the same: Ontario (6.1 per cent), British Columbia (4.8 per cent), and Prince Edward Island (4.6 per cent). Alberta and Manitoba showed the lowest increases (2.7 per cent and 2.8 per cent, respectively).



Changes in reconstruction costs by province.

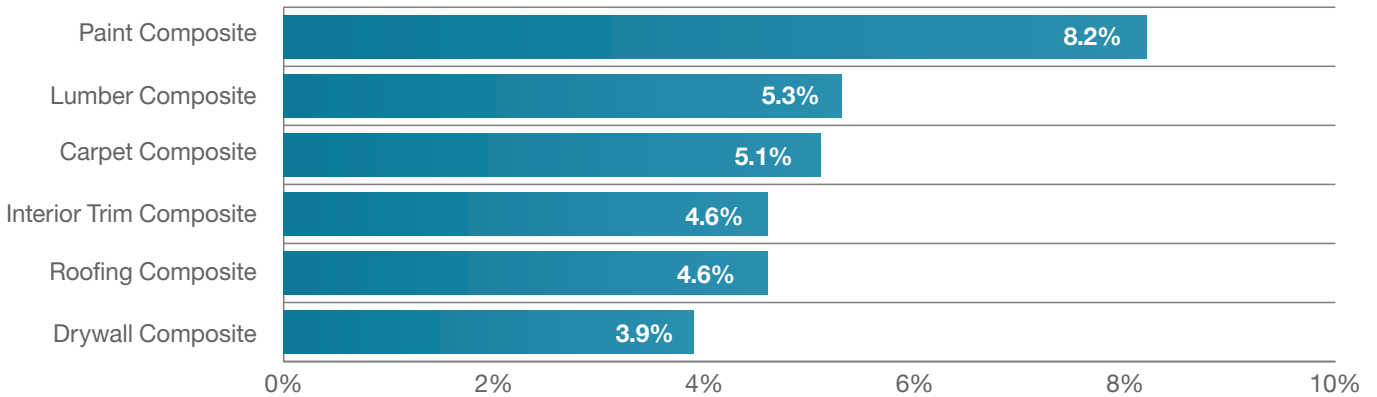
Provinces are grouped in quintiles; each range/color in the legend includes 20 per cent of the total number of provinces.

*All rates, percentages, increases, decreases, etc., are calculated as percentage change from October 2017 to October 2018, unless otherwise noted.

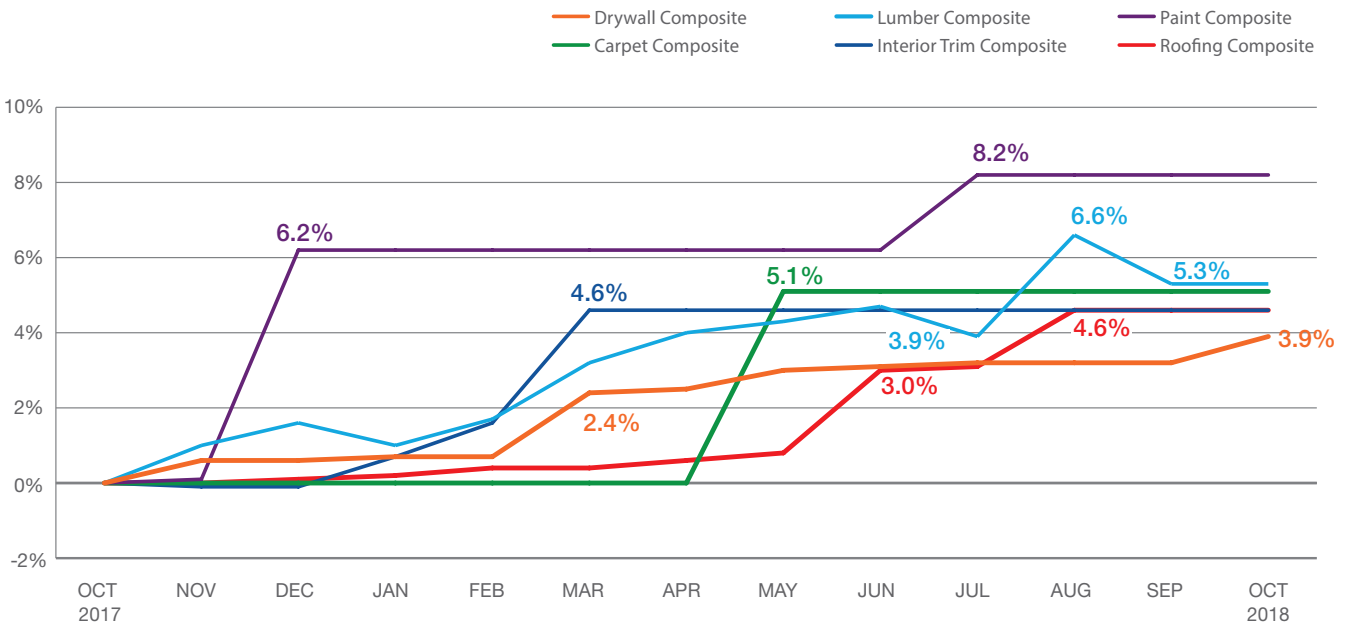
Material Cost Analysis

Total material costs rose 4.6 per cent. Lumber costs dropped to the second highest category for cost increases after remaining the highest for more than a year. Paint costs increased the most, at 8.2 per cent, with large increases in December 2017 and July of this year. Carpet costs increased the most, at 8.2 per cent, with large increases in December 2017 and July of this year. Carpet costs were flat until May, while roofing and drywall increased relatively steadily. Interior trim costs jumped to 4.6 per cent in March before levelling off.

Percentage change in costs



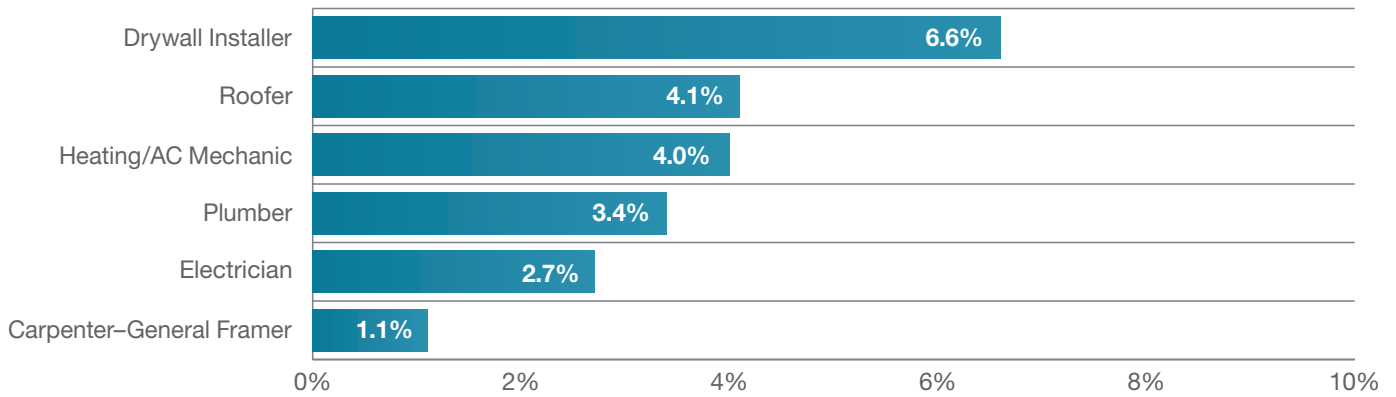
Percentage change in costs by month



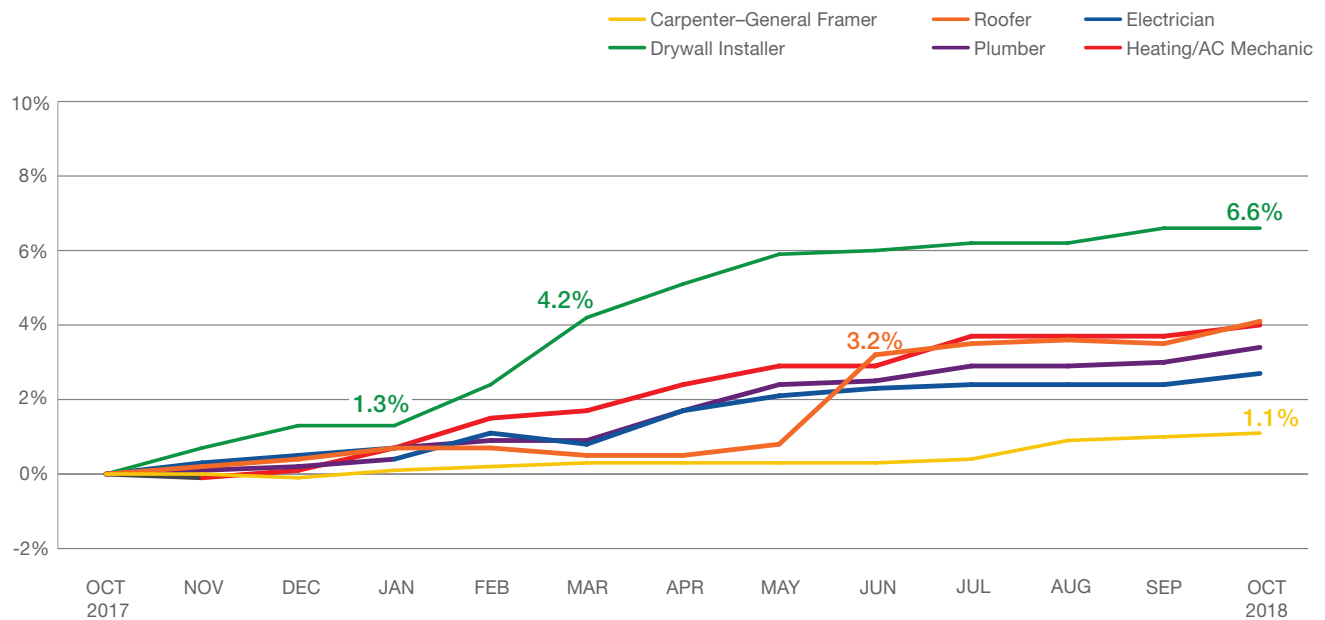
Labour Cost Analysis

Total labour costs increased 4.4 per cent. Generally, cost increases for all six major labour trades grew steadily. Of note, drywall installer costs experienced the highest increases, reaching 6.6 per cent, and costs for roofers grew significantly in June.

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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