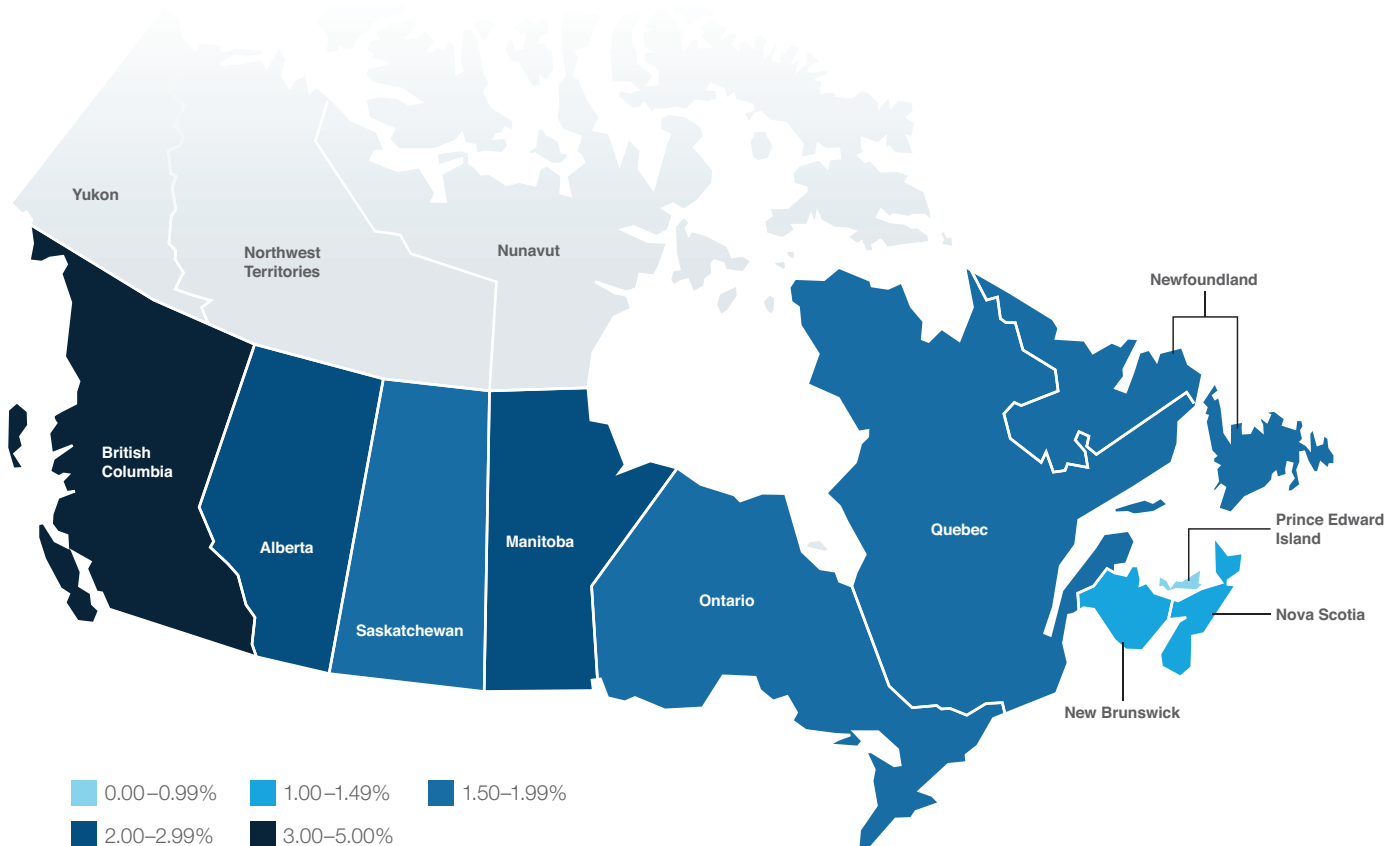


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

# Reconstruction cost increases slow in 2017

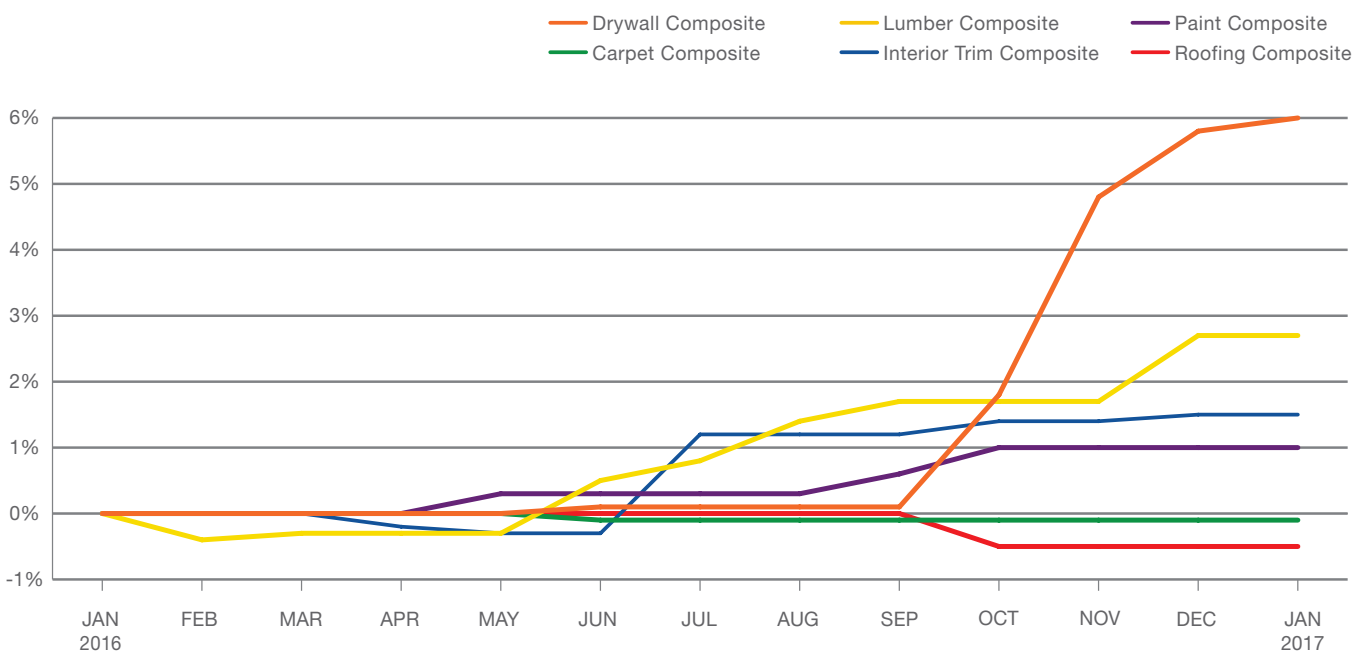
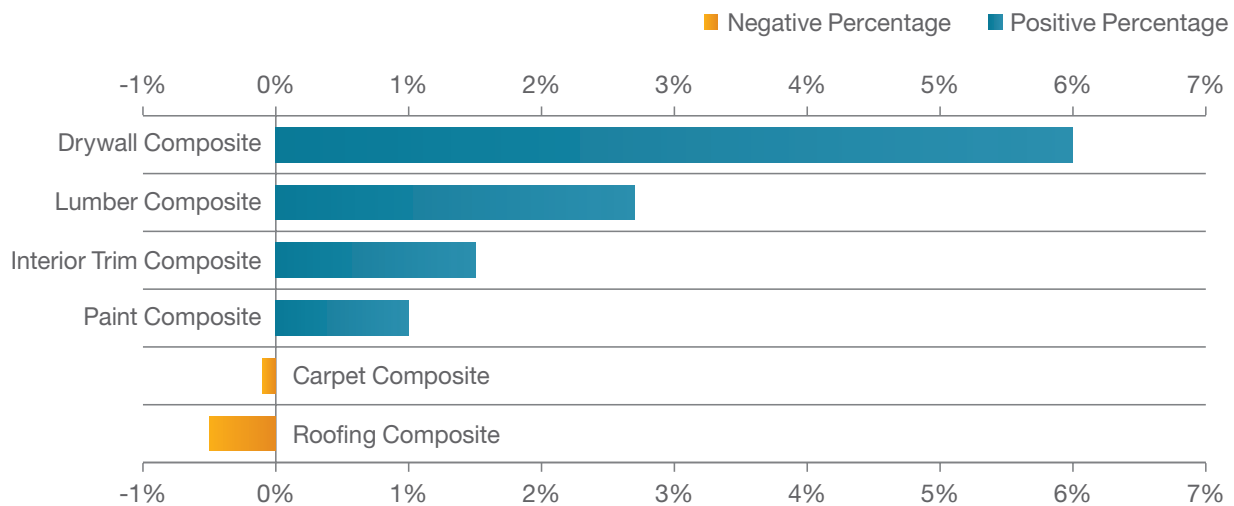
In Canada, overall reconstruction costs at the national level increased 2.1 per cent from January 2016 to January 2017, according to Xactware reconstruction cost research. This is the slowest rate of increase experienced in the past four years. During the past 12 months, all ten Canadian provinces experienced reconstruction cost increases. The largest increase, 4.4 per cent, was in British Columbia. During the fourth quarter of 2016, reconstruction costs went up 0.7 per cent.



Changes in reconstruction costs by province from January 2016 to January 2017

### Material Cost Analysis

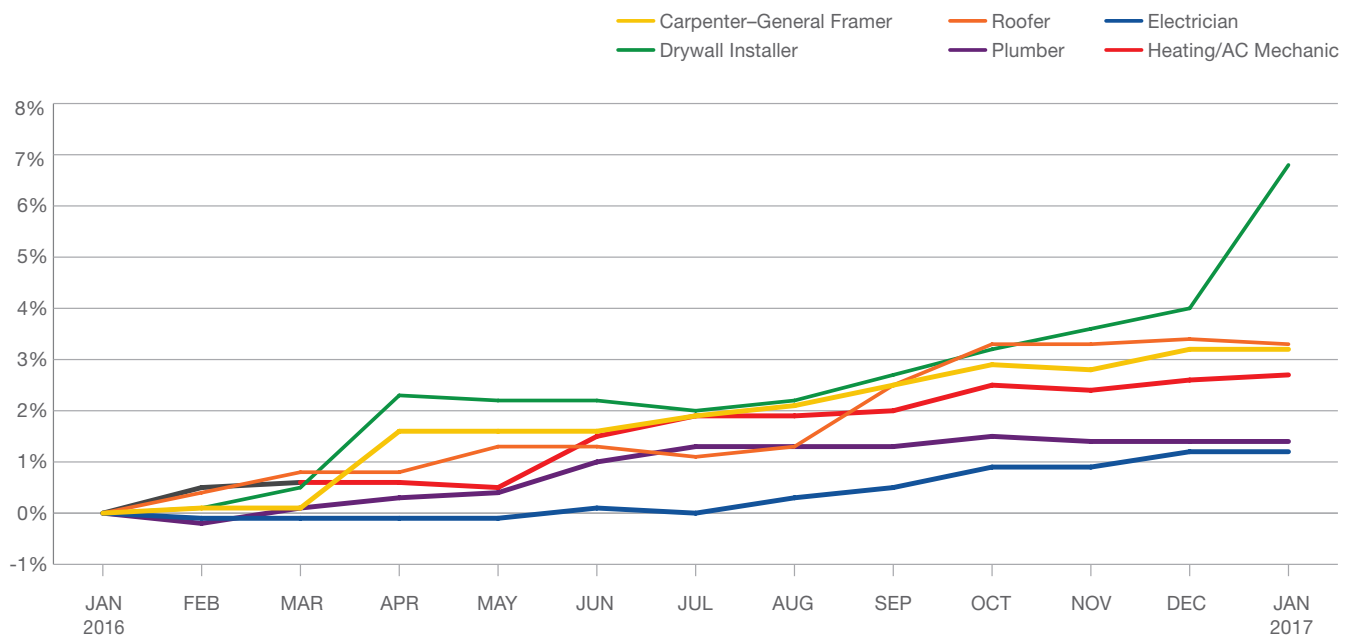
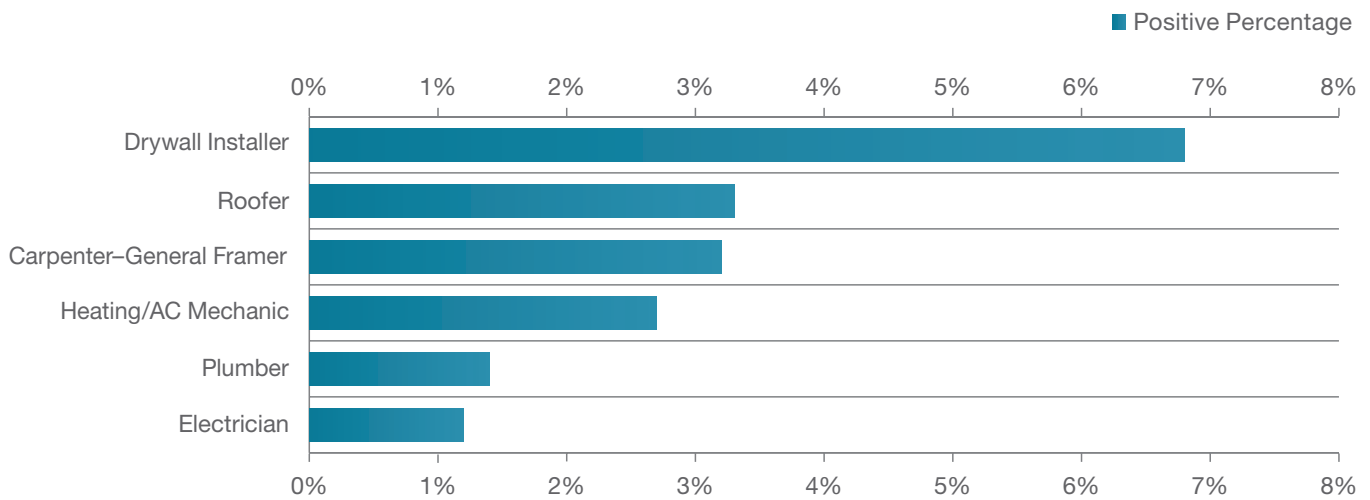
Overall material costs for common repairs rose from October 2016 to January 2017 by roughly 0.4 per cent. During the past 12 months, overall material costs rose 1.5 per cent. Xactware identified changes to several material categories during the past year. For example, drywall costs had the most significant growth, at 6 per cent. Lumber and interior trim costs increased 2.7 and 1.5 per cent, respectively, while paint increased 1.0 per cent. Carpet remained largely unchanged, and roofing fell 0.5 per cent.



Cost changes for common building materials from January 2016 to January 2017 at the national level. The data is reported by composite, a grouping of materials needed to complete a particular aspect of reconstruction.

### Labour Cost Analysis

From October 2016 to January 2017, labour rates increased 0.4 per cent. The rate of increase during the past 12 months was 2.8 per cent. From January 2016 to January 2017, all six major labour trades reported increases. Labour rates for drywall installers increased the most (6.8 per cent). Rates for roofers and carpenter-general framers rose more than 3 per cent. Rates for heating/AC mechanics increased 2.7 per cent and 1.4 per cent for plumbers. The rate of increase for electricians was the lowest, at 1.2 per cent.



Changes in labour costs for some common trades from January 2016 to January 2017 at the national level. Labour costs include wages, burden, and overhead.

### About this report

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

Xactware employs a comprehensive research process that includes real-time feedback on reconstruction costs from thousands of contractors and claims adjusters, extensive material and labour cost surveys, and analysis of hundreds of thousands of actual damage repair estimates for claims each year.

Current, localized, and detailed cost information on reconstruction labour and building materials is essential to create reliable, component-based replacement cost estimates. Each quarter, updated reconstruction cost data is incorporated into 360Value.

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.

The data compiled in this summary is available in Xactware's Industry Trend Reports, an online reporting tool that gives users an overview of market changes from one area to another; national and provincial averages; and price trends for roofing materials, drywall materials, and much more.

For more information or to subscribe to Xactware's Industry Trend Reports, visit:

<http://www.xactware.com/en-us/solutions/claims-management/industry-trend-reports/>

For more information on 360Value, visit:

<http://www.verisk.com/insurance/underwriting/property/360value-residential.html>



1-800-444-4554, option 3.



[verisk.com/360Value](http://verisk.com/360Value)



verisk

Insurance Solutions™