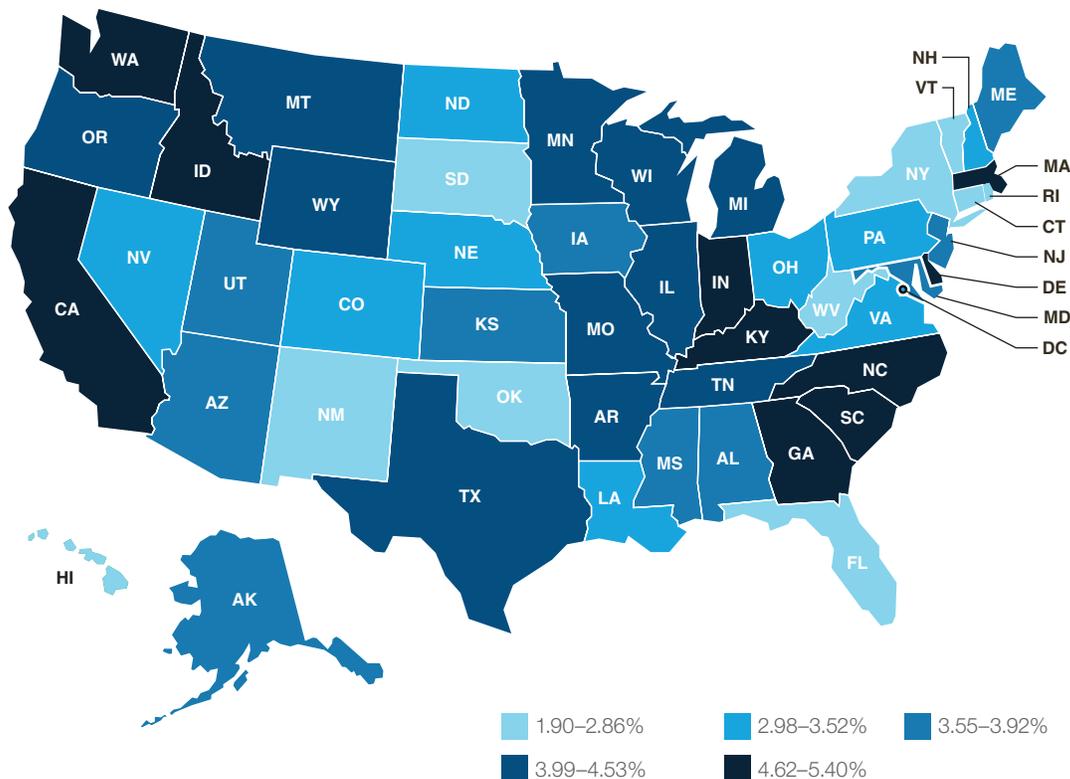


This report provides reconstruction cost trends at the national and state levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Overall reconstruction cost increases continue to slow

Total reconstruction costs, including materials and retail labor, grew 3.7 percent from January 2018 to January 2019.* This is down from the 4.6 percent growth seen from October 2017 to October 2018, and it is the third consecutive year in which cost increases decelerated. During the fourth quarter of 2018 (October through December), costs grew very little, at 0.1 percent.

Reconstruction costs increased in all states. Massachusetts, North Carolina, and Idaho had the highest changes (5.4 percent, 5.3 percent, and 5.1 percent, respectively).



Changes in reconstruction costs by state.

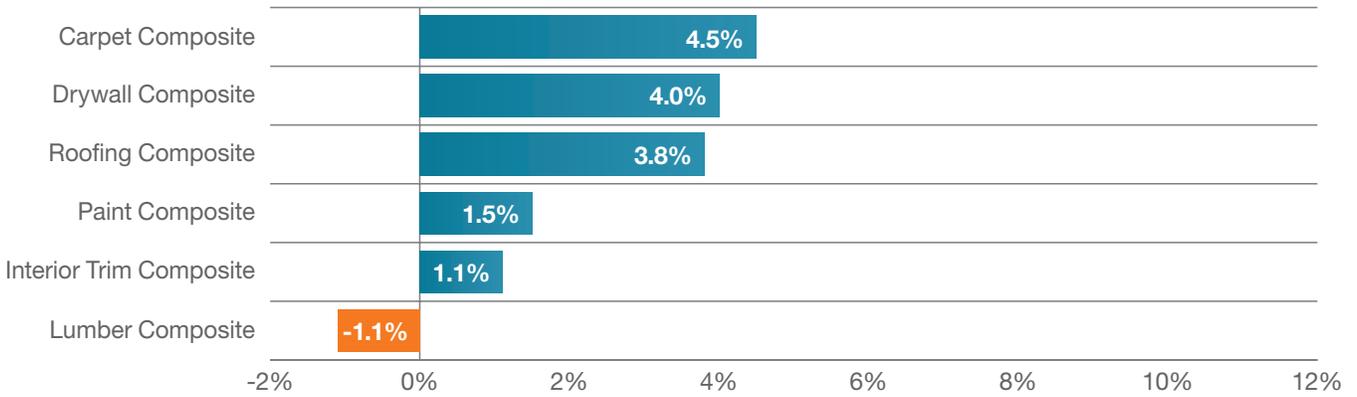
States are grouped in quintiles; each range/color in the legend includes 20 percent of the total number of states.

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

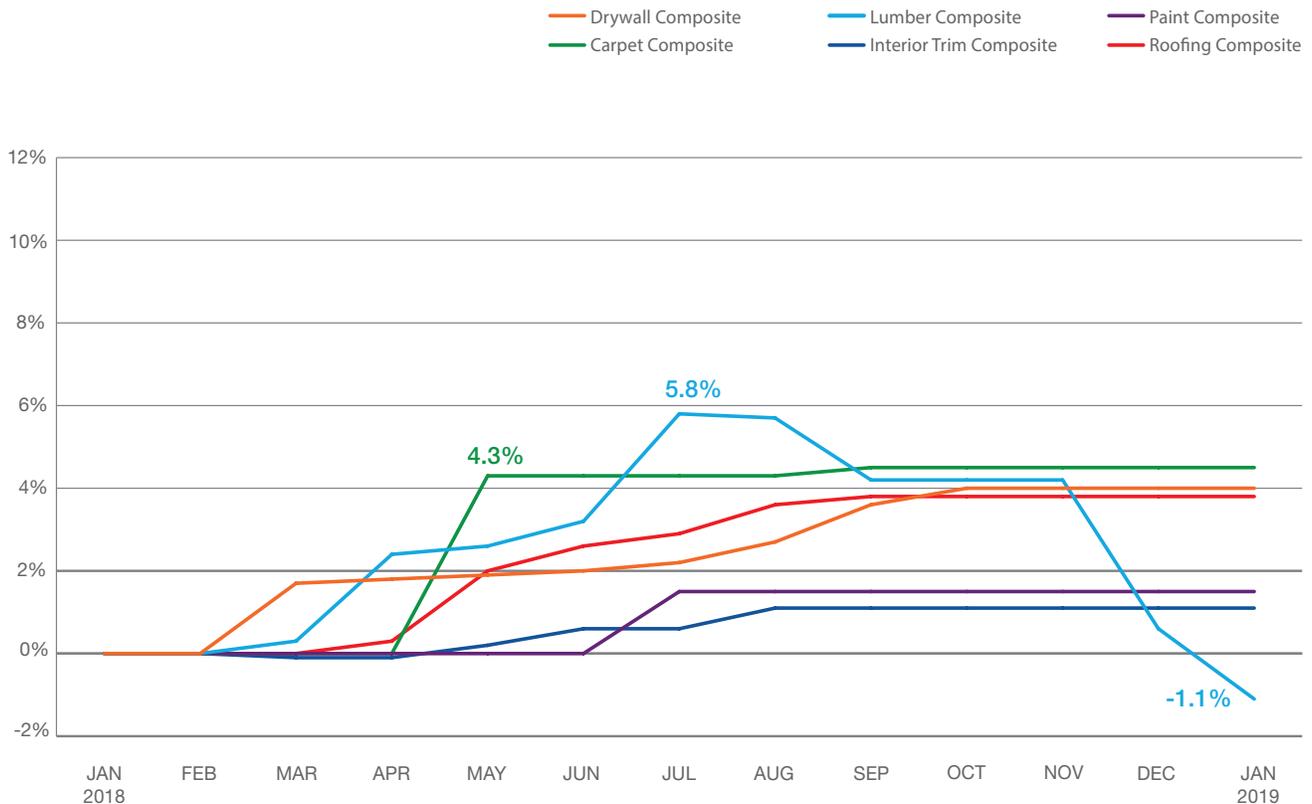
Material Cost Analysis

Combined costs for material composites increased 2.4 percent since January 2018. Costs increased for all categories except lumber. Though lumber costs skyrocketed over the past few quarters, they fell 1.1 percent since January 2018. Drywall composite, roofing, paint, and interior trim all grew at a relatively steady pace, while carpet saw a larger increase in May and leveled off for the rest of the year.

Percentage change in costs



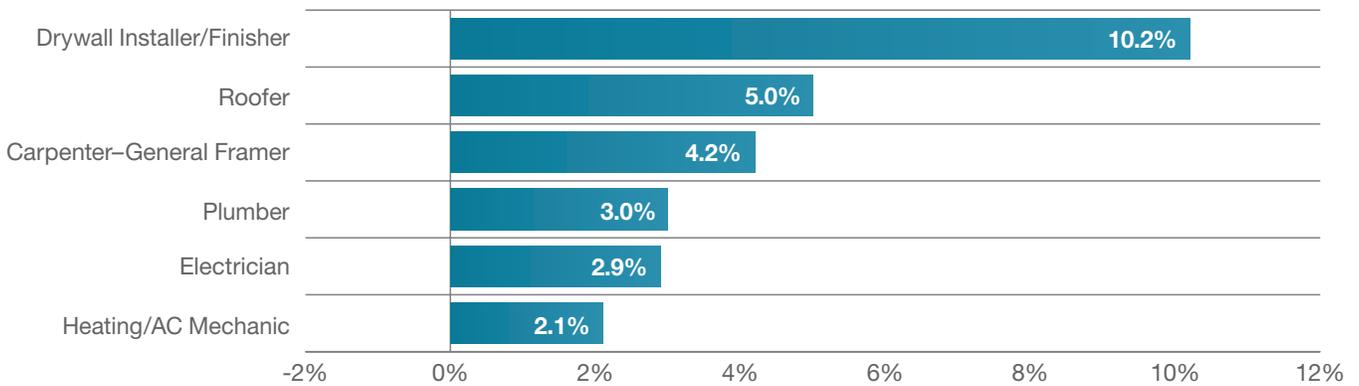
Percentage change in costs by month



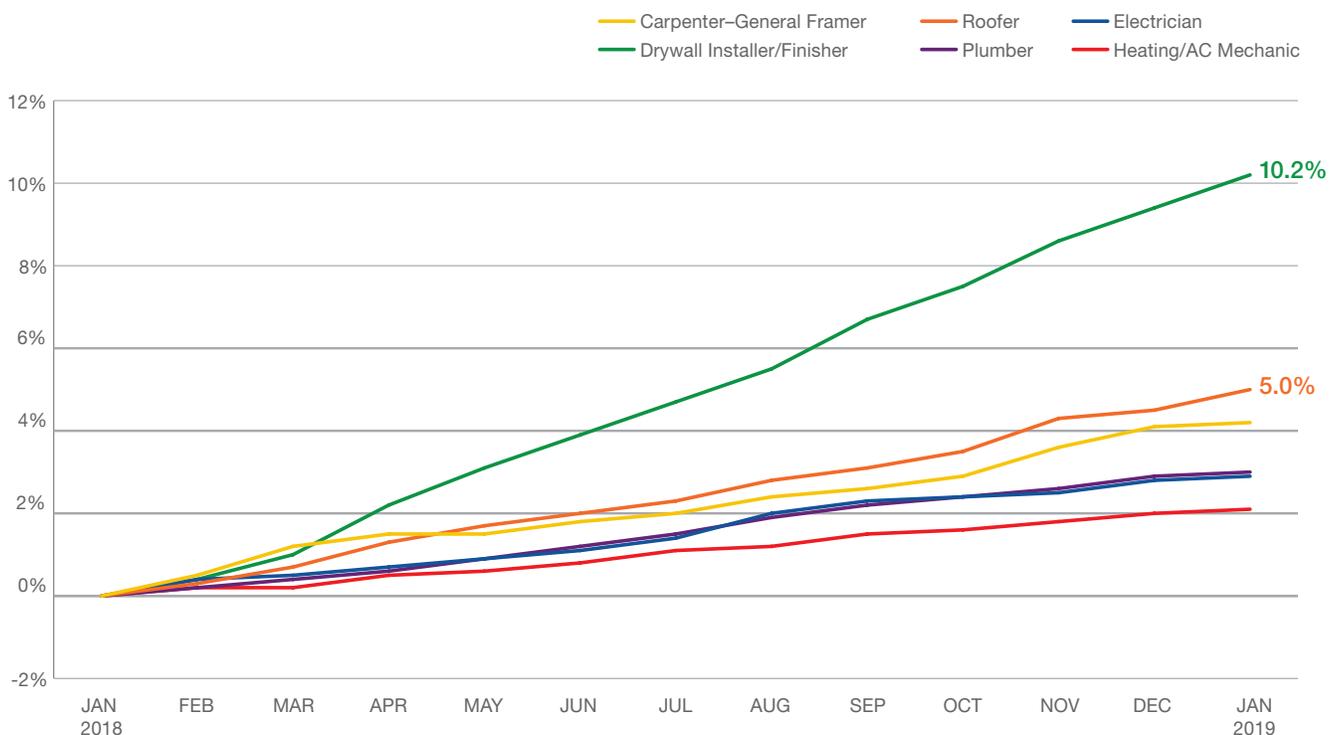
Labor Cost Analysis

Combined retail labor costs increased 4.1 percent since January 2018, steady from last quarter. All common labor trades saw steady cost increases. Drywall installer/finisher costs continued to increase the most, at 10.2 percent. Roofer cost increases were behind drywall by a large gap: 5.2 percentage points. Heating/AC mechanic costs continued to have the lowest total increase, at 2.1 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.



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