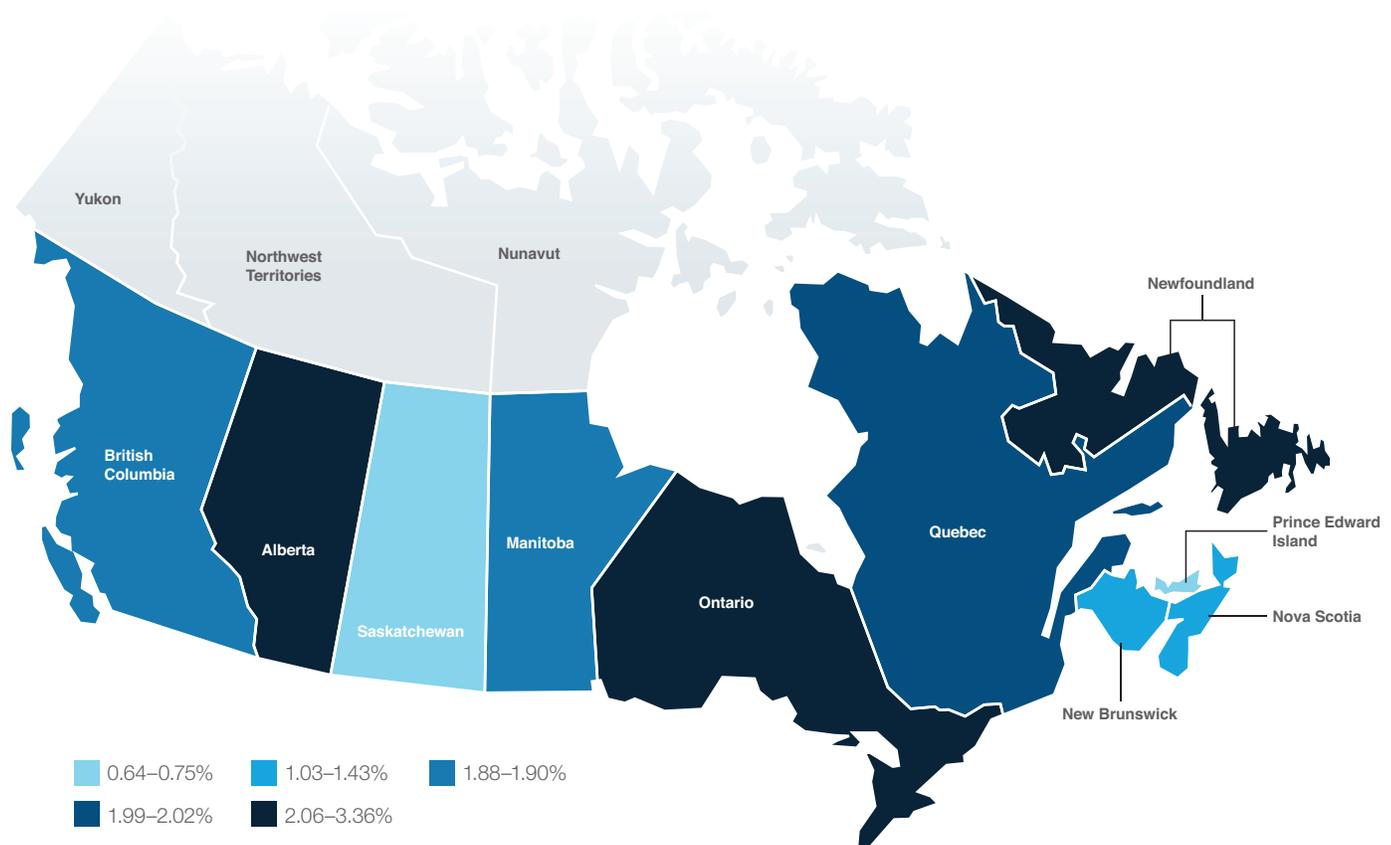


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

## Reconstruction cost growth rate continues to decline

Total reconstruction costs, including materials and retail labour, increased just 1.7% from January 2019 to January 2020,\* continuing the pattern of slowing cost growth. During the fourth quarter of 2019 (October through December), reconstruction costs grew very little, at 0.2%.

All provinces experienced cost increases. Newfoundland and Ontario continued to have the highest growth rates, at 3.4% and 2.1%, respectively. Prince Edward Island had the lowest increase, at 0.6%, followed by Saskatchewan, at 0.7%.



Changes in reconstruction costs by province.

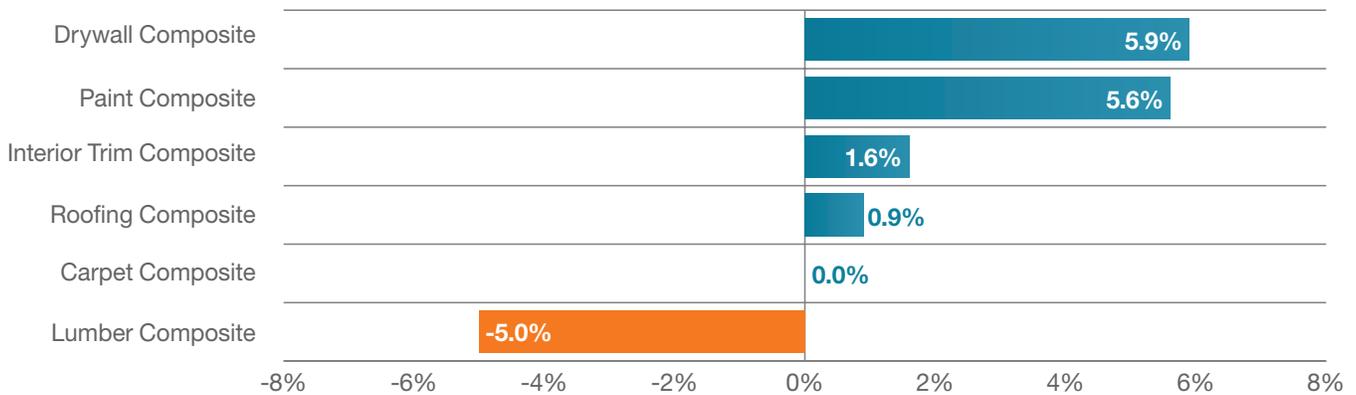
Provinces are grouped in quintiles; each range/colour in the legend includes 20 per cent of the total number of provinces.

\*All rates, percentages, increases, decreases, etc., are calculated as percentage change from January 2019 to January 2020, unless otherwise noted.

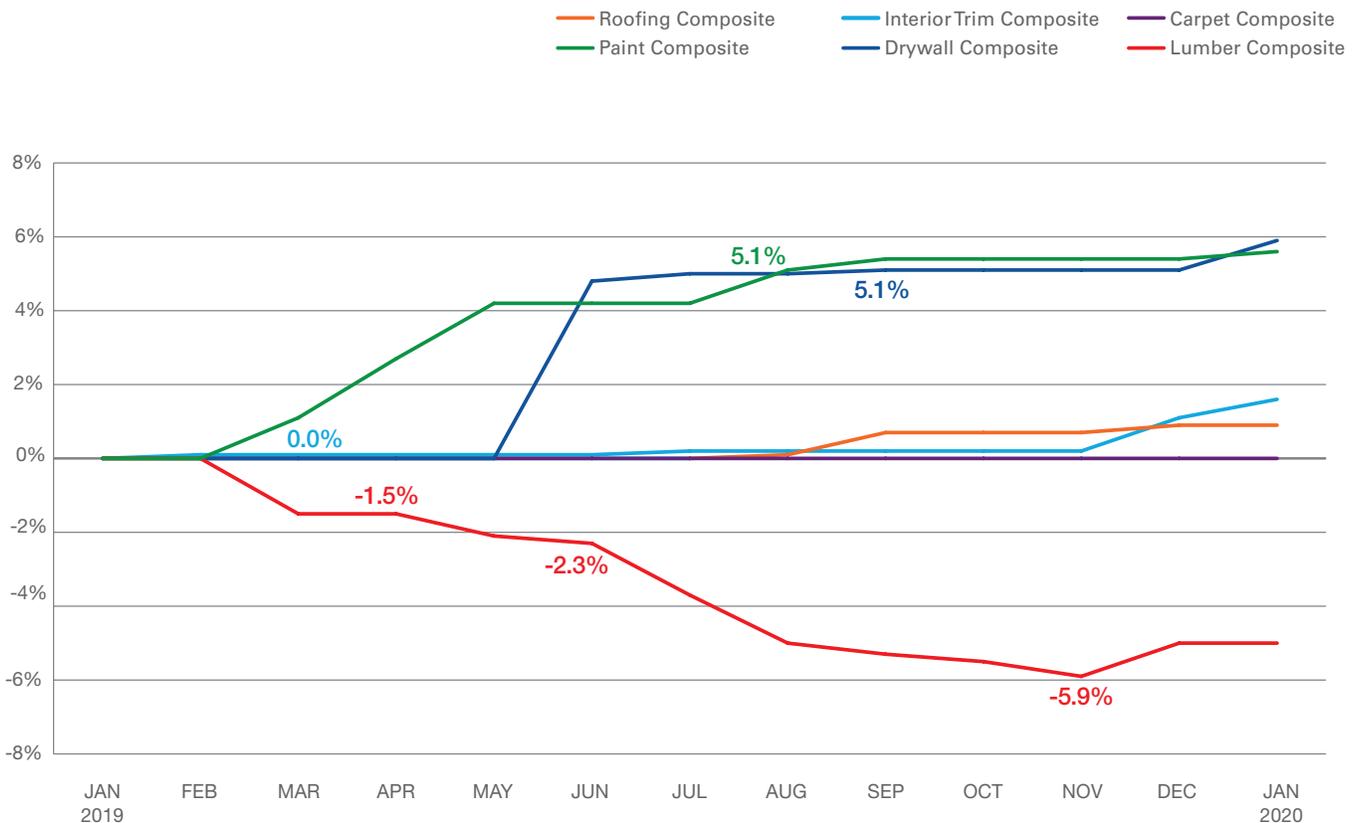
### Material Cost Analysis

Total material costs decreased by 0.2% from January 2019. Lumber remained the lowest category, with costs declining by 5.0%. Paint and drywall increased the most, at 5.9% and 5.6%, respectively. Roofing composite increased 1.6%. Interior trim and carpet composites showed little or no increase, at 0.9% and 0.0%, respectively.

Percentage change in costs



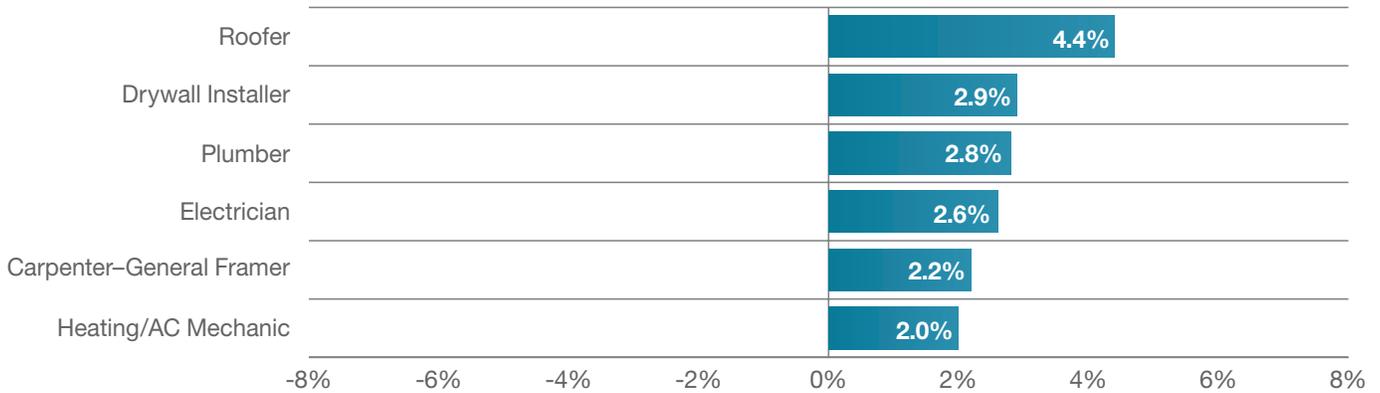
Percentage change in costs by month



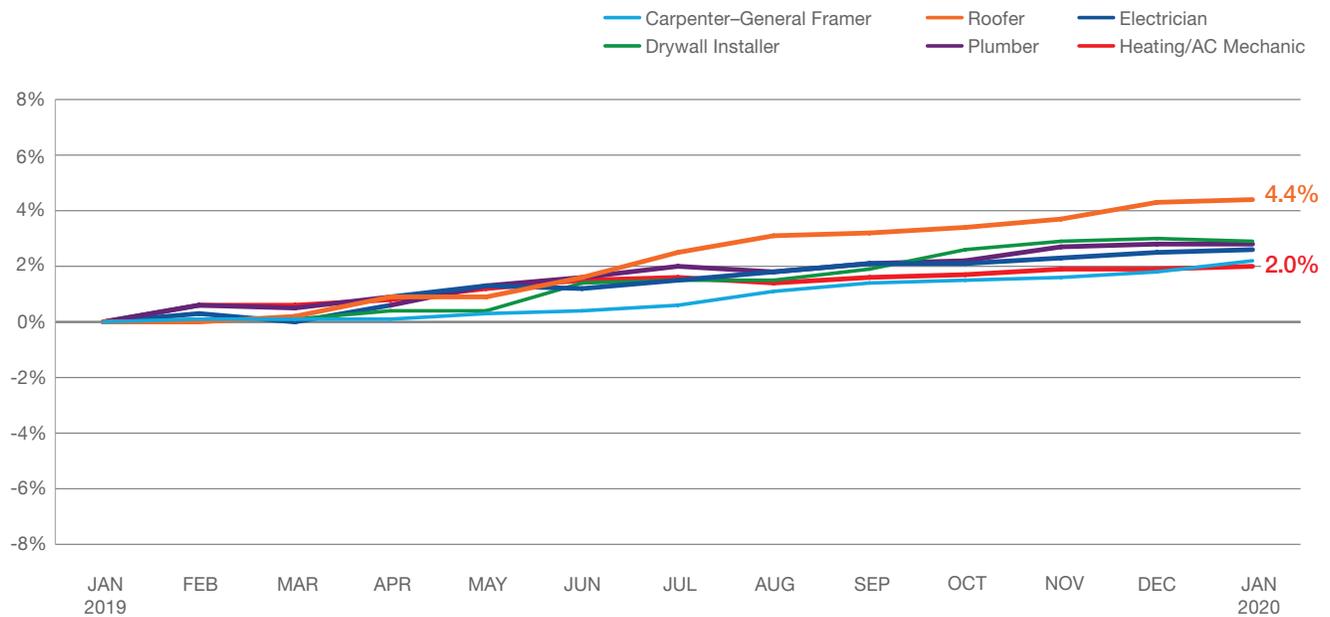
### Labour Cost Analysis

Total labour costs increased 3.6% from January 2019, consistent with the 3.6% growth in the previous period. Cost increases for all six major labour trades grew steadily. Of note, roofer costs grew the most, at 4.4%, with big increases in November 2019 and January 2020. Increases for all other labour trades ranged from approximately 2.0% to almost 3.0%.

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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