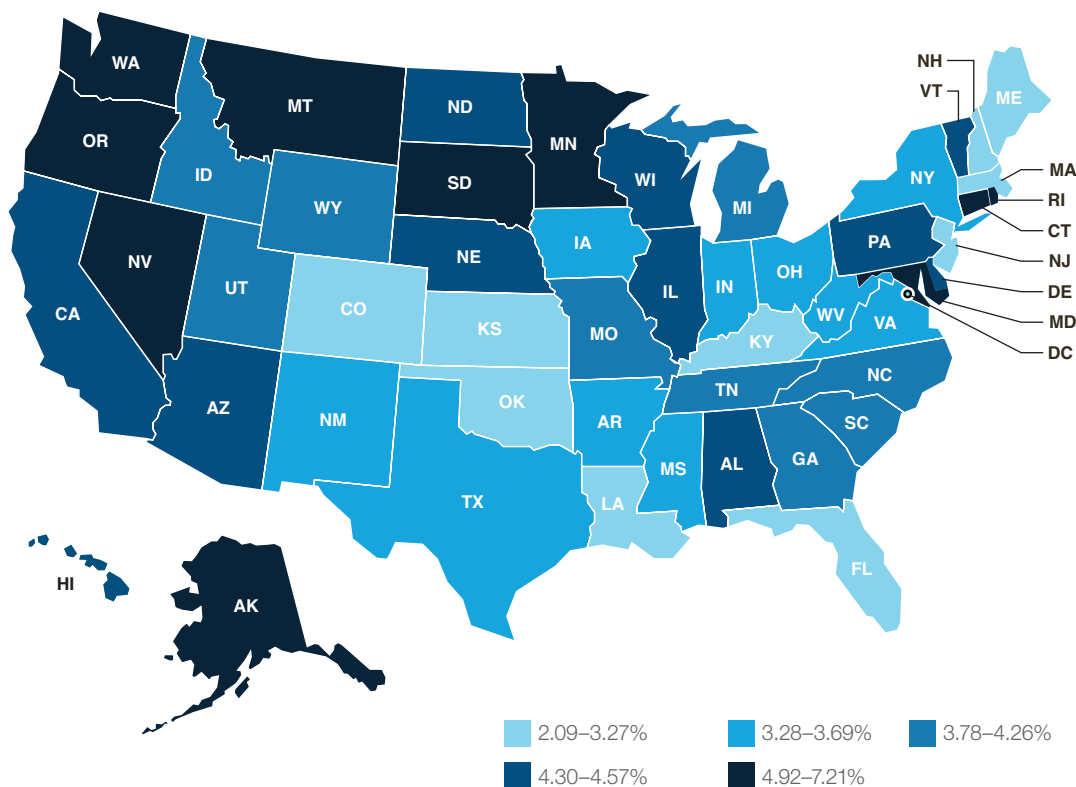


This report provides reconstruction cost trends at the national and state levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost increases reverse slowing trend

Total reconstruction costs, including materials and retail labor, increased 4.1% from January 2019 to January 2020.* This is up from 3.4% growth seen from October 2018 to October 2019, and it reverses the downward trend seen throughout 2019. Costs rose very little in the fourth quarter of 2019 (October through December), at 0.8%.

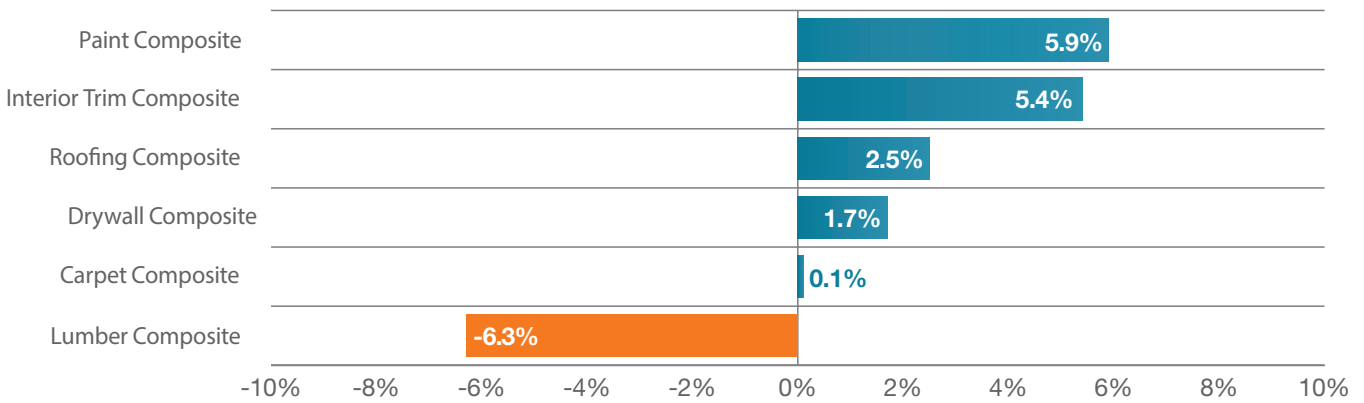
Reconstruction costs increased in all states. Rhode Island, Washington, and Connecticut had the highest changes, at 7.2%, 7.0%, and 6.2%, respectively. New Hampshire had the lowest change, at 2.1%. Notably, cost changes in Connecticut have been variable; the state had the third-highest growth, an increase of 46 rank positions.



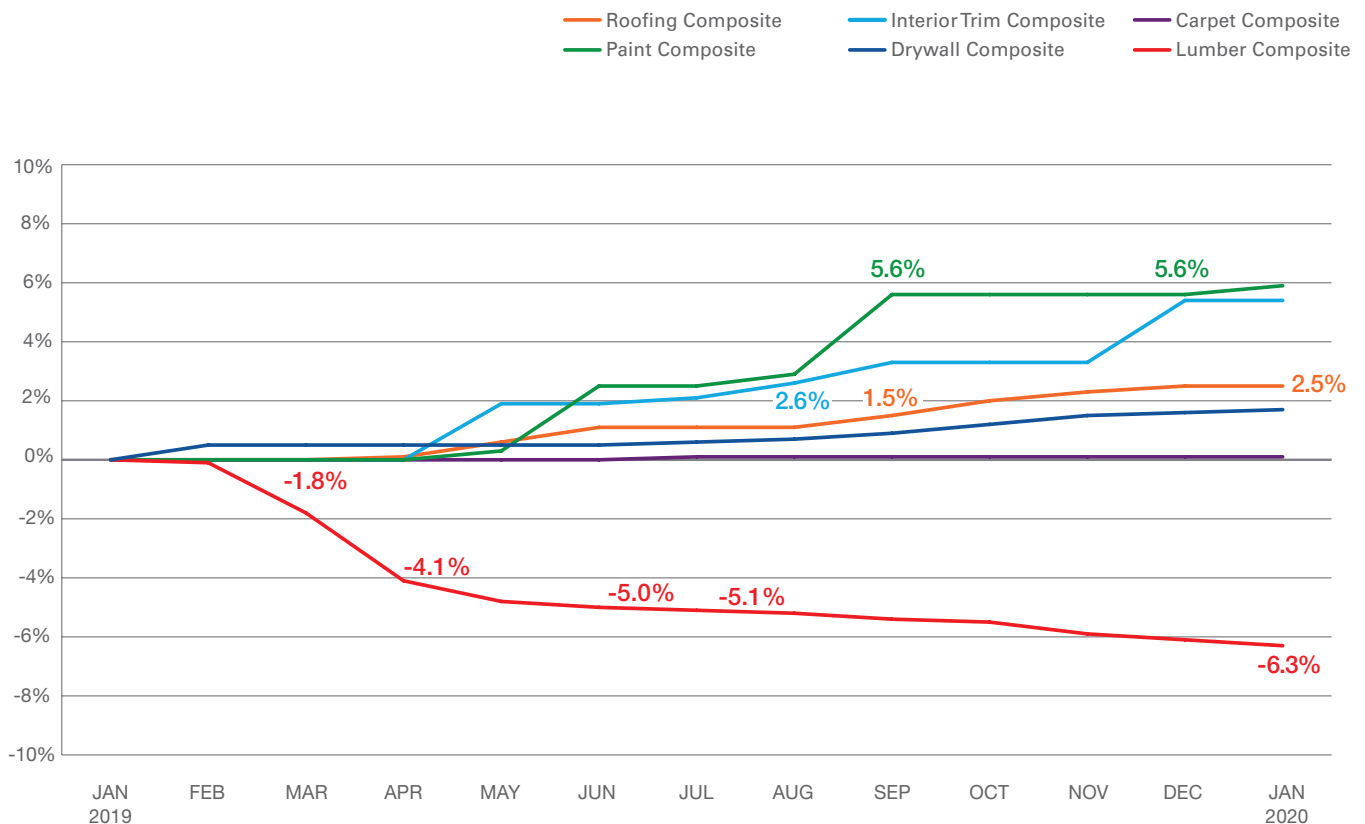
Material Cost Analysis

Combined costs for material composites increased 2.5%. Costs were up for all categories except lumber, which was down 6.3%. Paint costs saw the highest increase at 5.9%, followed closely by interior trim at 5.4%. The remaining categories increased just 0.1% to 2.5%.

Percentage change in costs



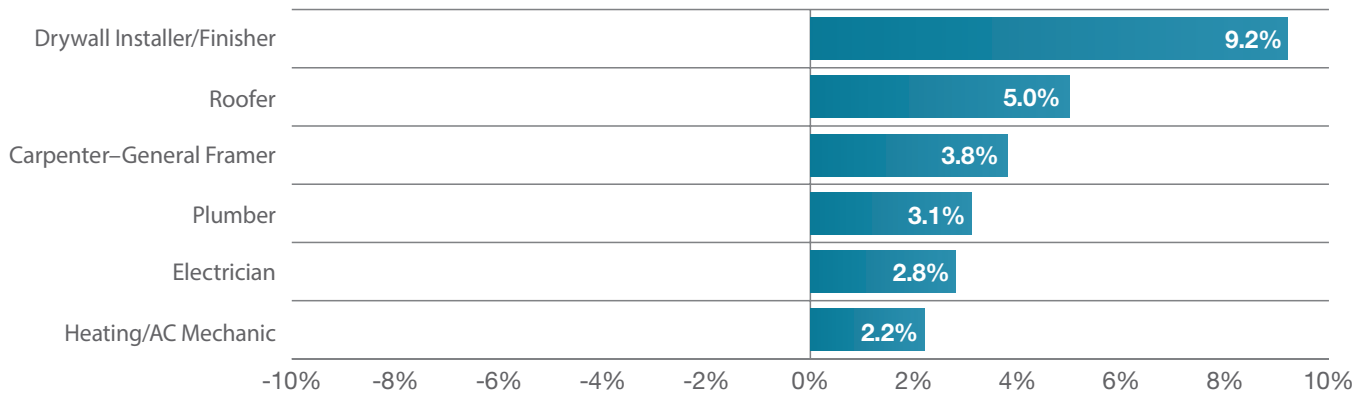
Percentage change in costs by month



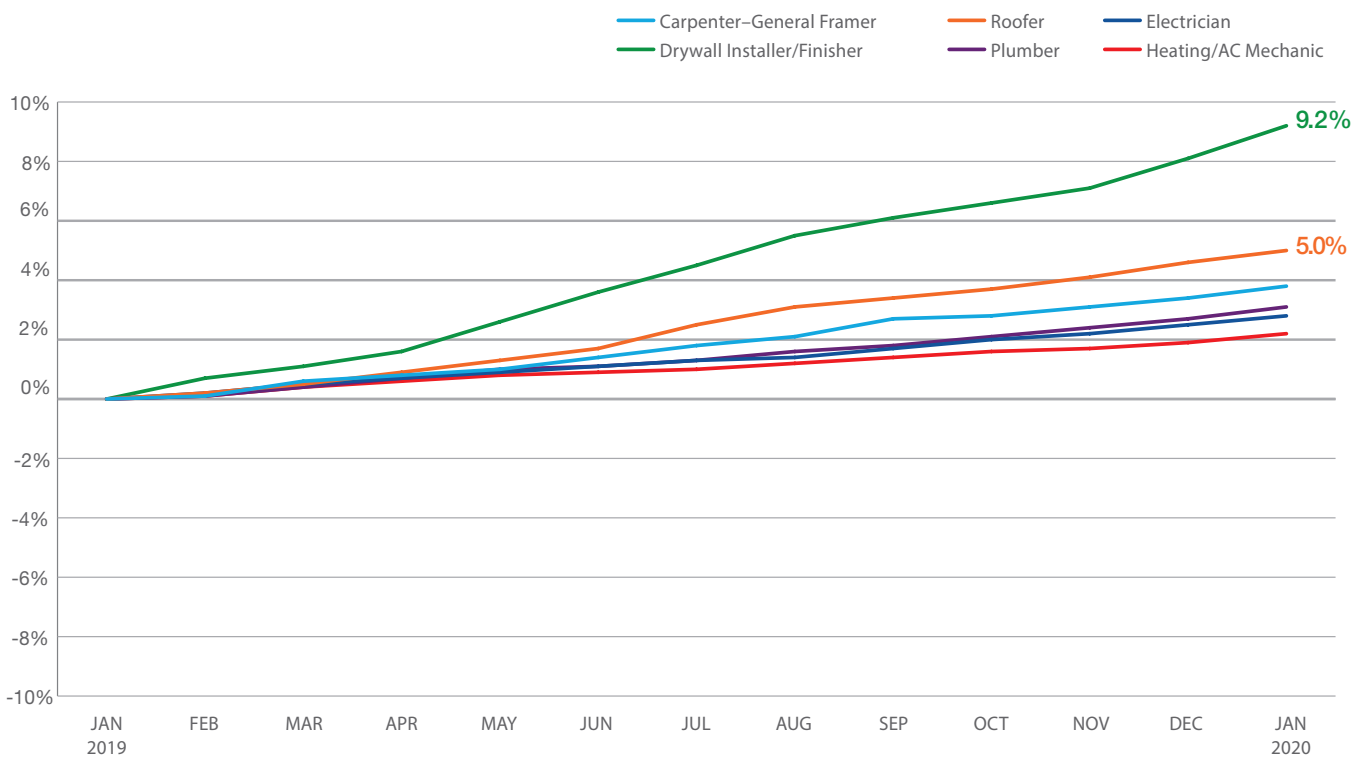
Labor Cost Analysis

Combined retail labor costs increased 4.5%, 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%. Roofer cost increases trailed by a large margin at 5.0%. Heating/AC mechanic costs continued to have the lowest total increase, at 2.2%.

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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