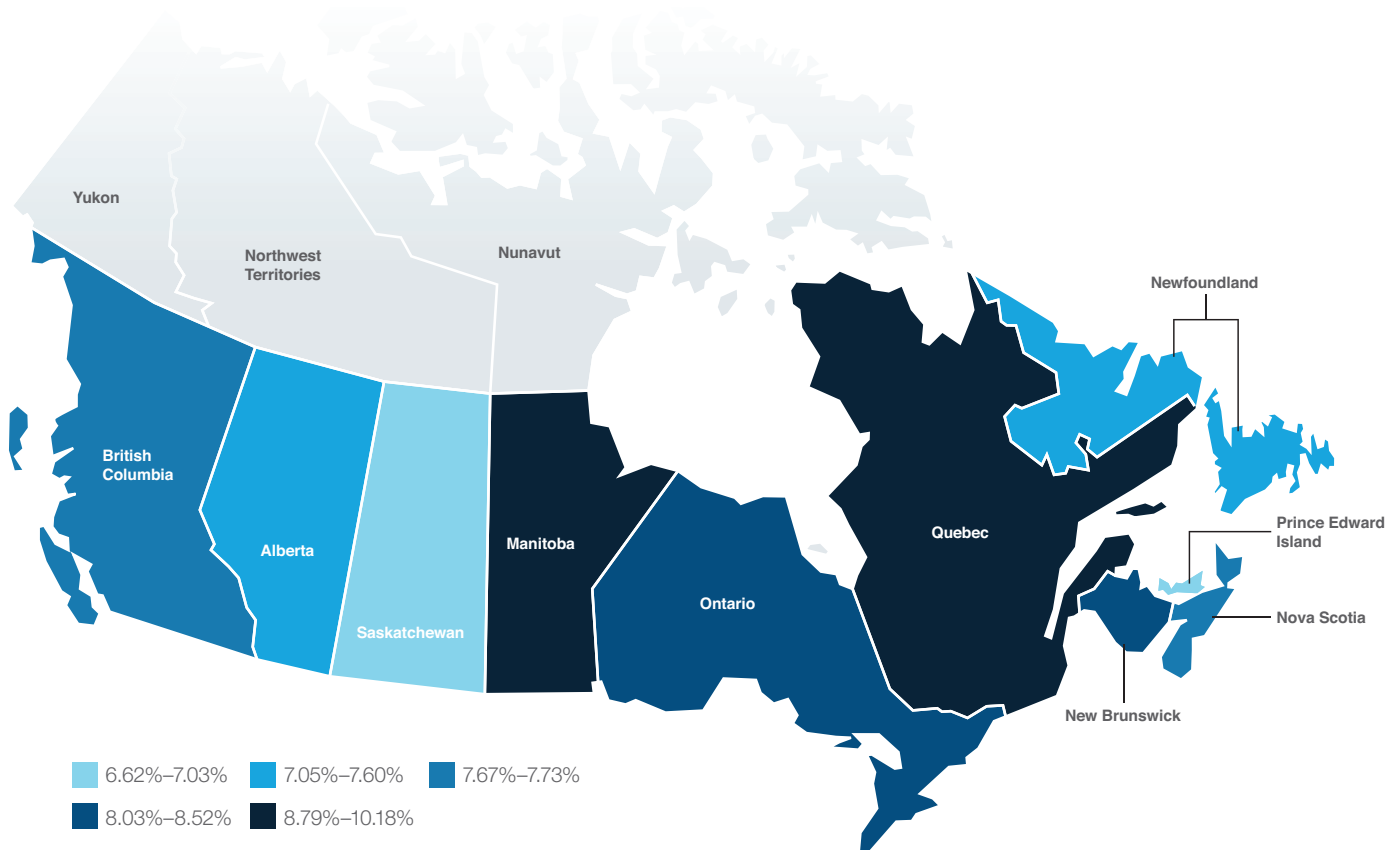


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost growth continues to accelerate

Total reconstruction costs, including materials and retail labour, increased 7.9% from January 2020 to January 2021.* This rate of increase, led by continued high lumber costs, is up from a 6.3% increase from October 2019 to October 2020 and accelerates the rate of growth seen in 2020. During the fourth quarter of 2020 (October through December), reconstruction costs grew 1.75%, compared with 4.1% in the third quarter.

All provinces experienced cost increases. Quebec and Manitoba had the highest growth rates at 10.2% and 8.8%, respectively. Saskatchewan had the lowest increase at 6.6%, followed by Prince Edward Island at 7.0%.



Changes in reconstruction costs by province.

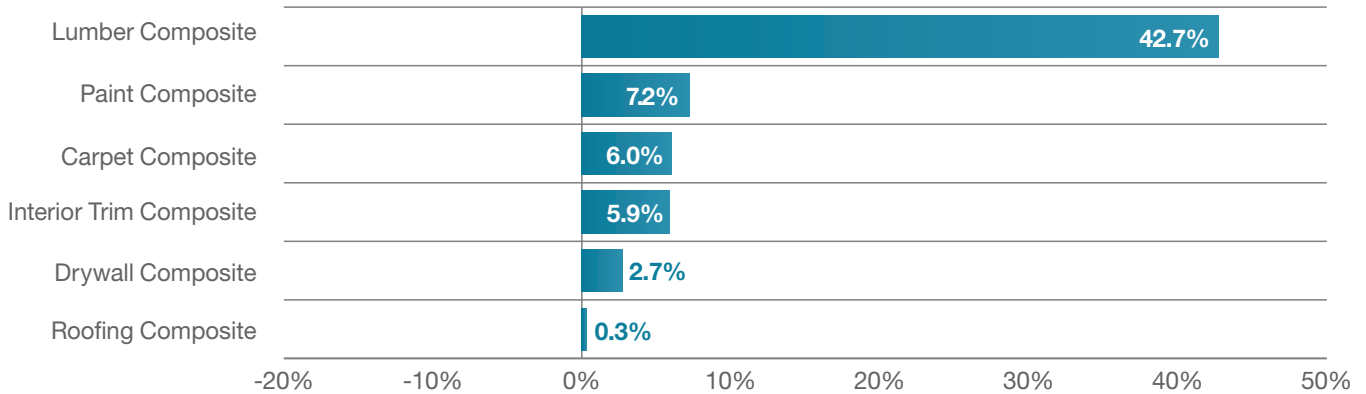
Provinces are grouped in quintiles; each range/colour in the legend includes 20% of the total number of provinces.

*All rates, percentages, increases, decreases, etc., are calculated as percentage changes from January 2020 to January 2021, unless otherwise noted.

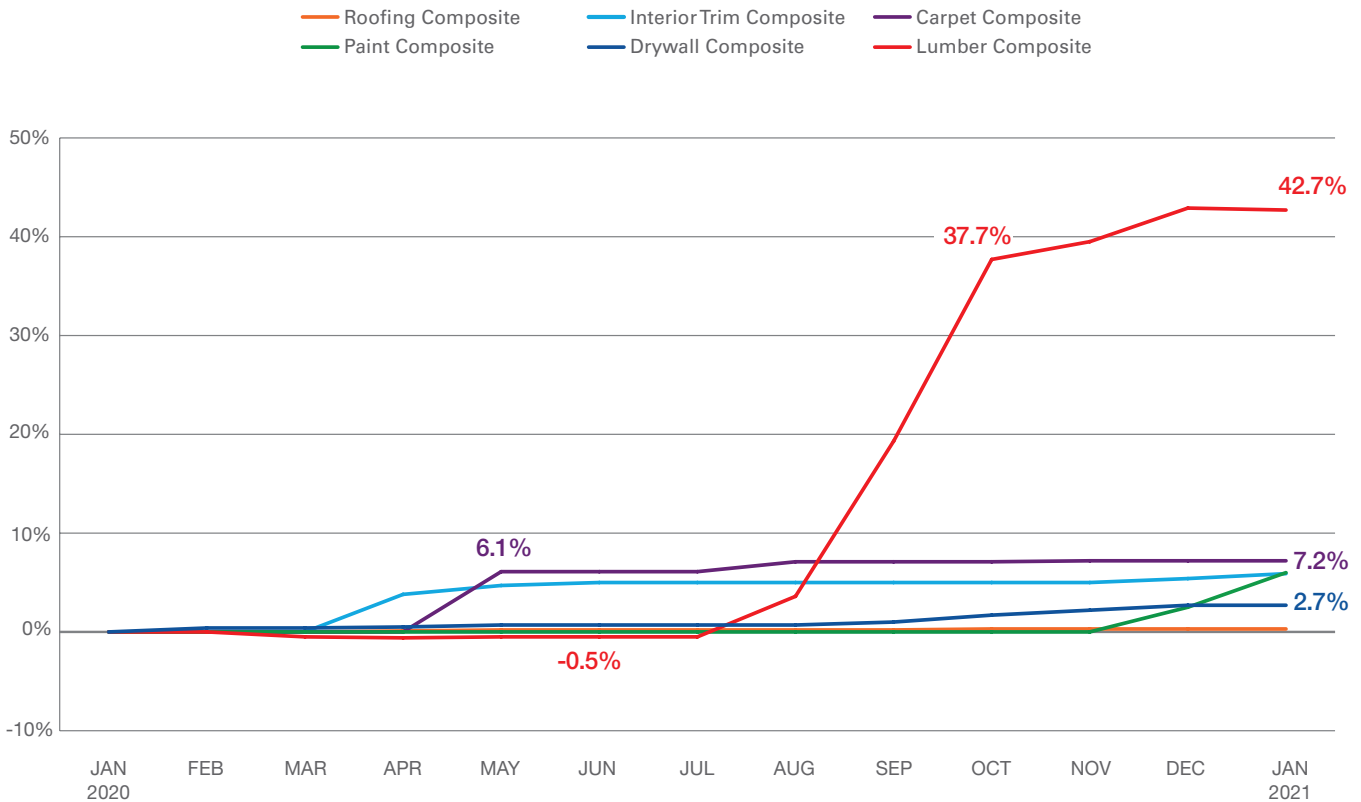
Material Cost Analysis

Total material costs increased by 10.8% from January 2020 to January 2021. Lumber again showed the greatest increase at 42.7%, even higher than the 38.3% spike from October 2019 to October 2020. This may reflect ongoing pandemic-related constraints on supply amid an increase in building activity, and reduced production as the slower winter building season starts. Carpet, paint, and interior trim followed distantly at 7.2%, 6.0%, and 5.9%, respectively. Drywall increased 2.7% and roofing increased 1.7%.

Percentage change in costs



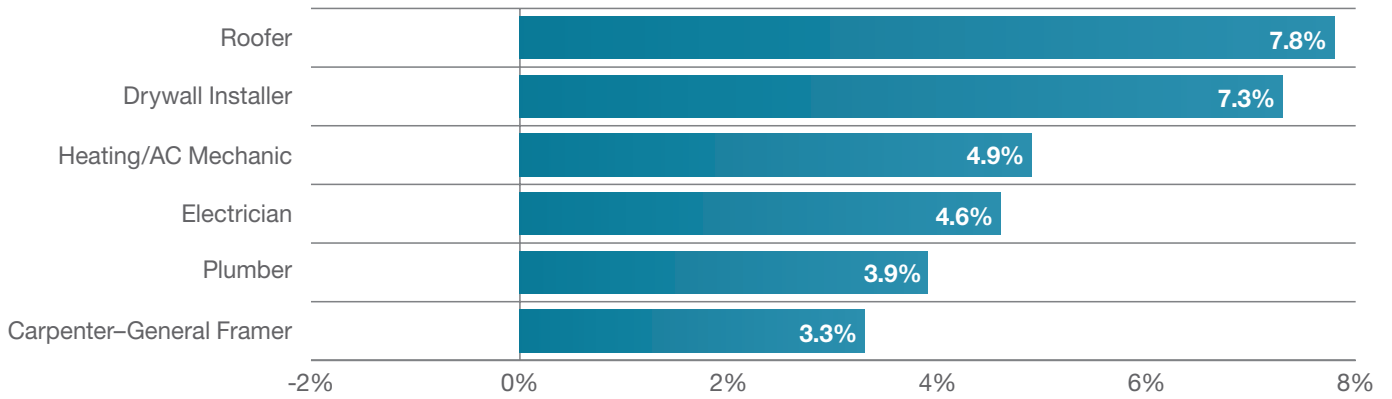
Percentage change in costs by month



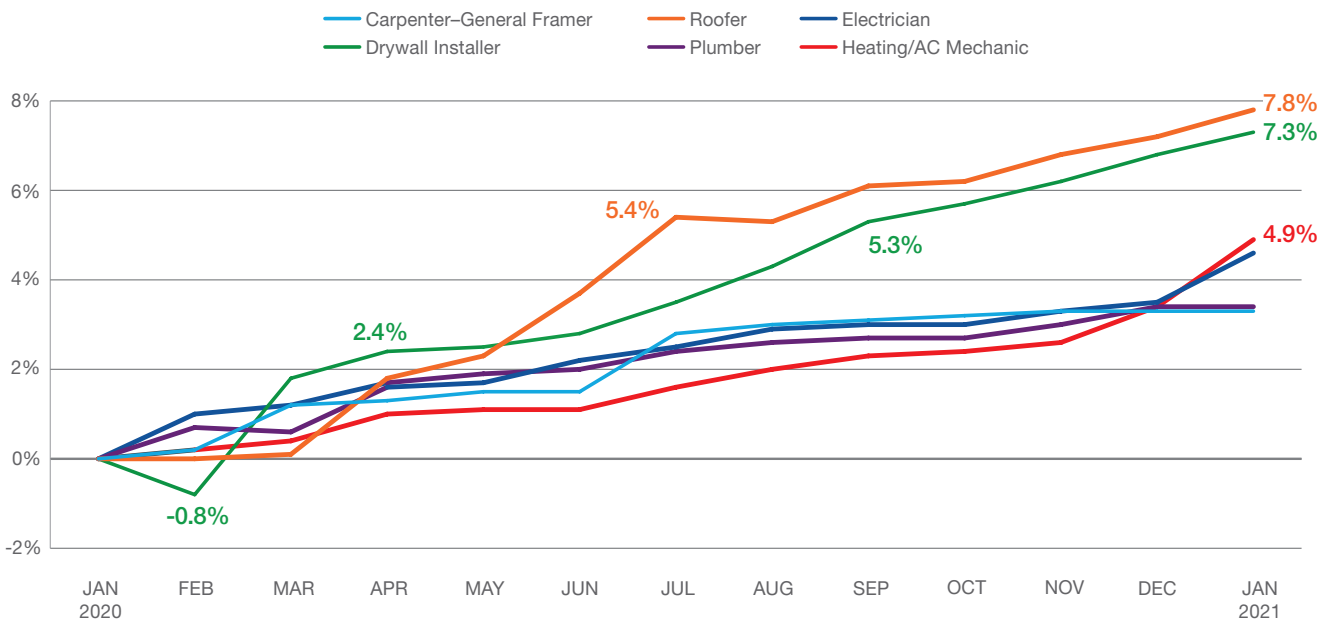
Labour Cost Analysis

Total labour costs increased 7.3% from January 2020 to January 2021, up from 5.9%. Cost increases for all six major labour trades grew steadily. Roofer costs grew the most at 7.8%. Increases for all other labour trades ranged from approximately 3.9% to 7.3%.

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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