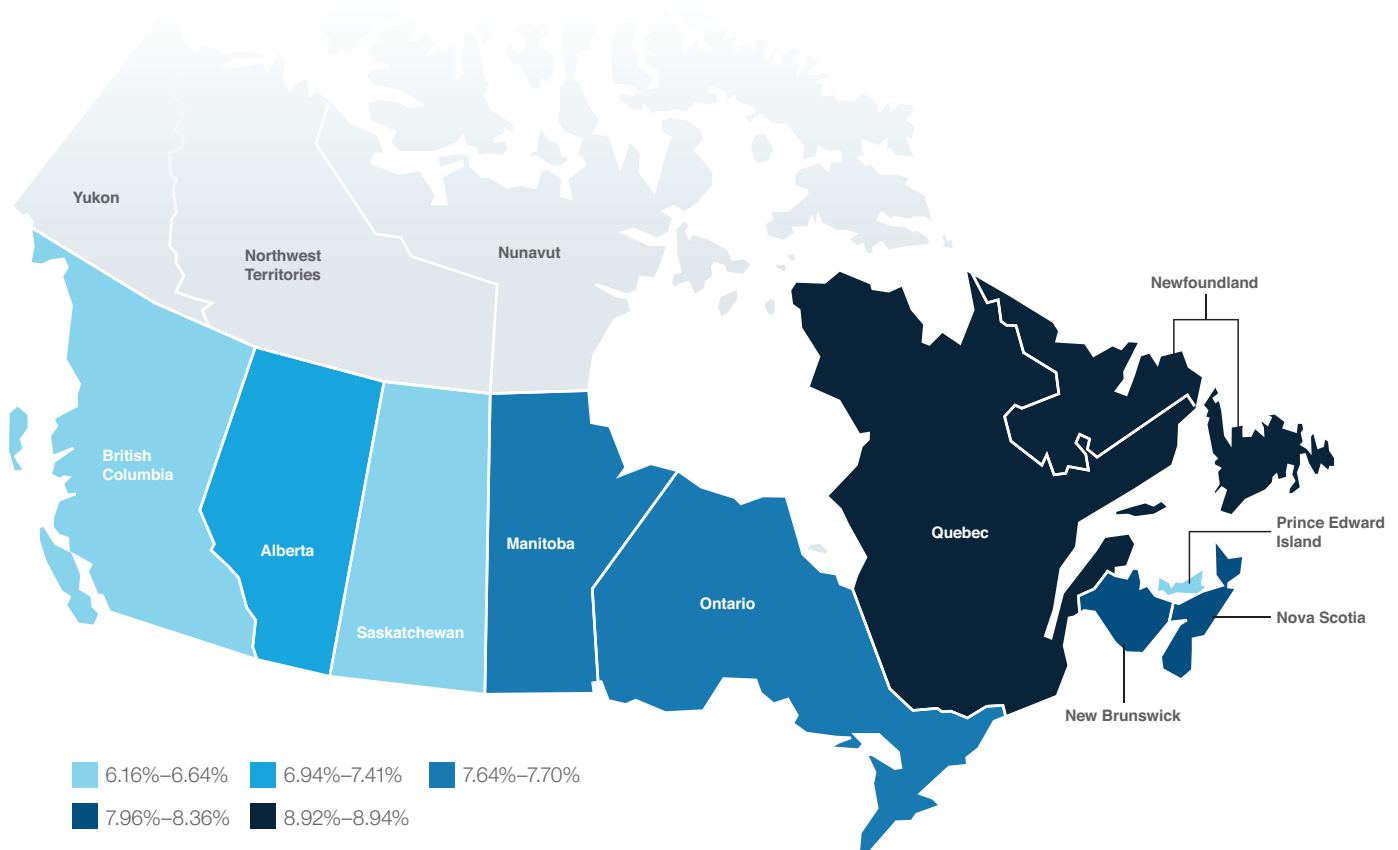


This report provides reconstruction cost trends at the national and provincial levels. 360Value® Quarterly Cost Updates are derived from building cost research conducted by industry leader Xactware.®

Spiking lumber prices drive reconstruction cost growth

Total reconstruction costs, including materials and retail labour, increased 7.65% from April 2020 to April 2021.* This rate, led by a huge surge in lumber costs, was slightly lower than the 7.9% increase recorded for the January 2020 to January 2021 period. During the first quarter of 2021 (January through March), reconstruction costs grew 0.94%, compared with 1.75% in the fourth quarter.

All provinces experienced cost increases. Newfoundland and Quebec had the highest growth rates at 8.94% and 8.92%, respectively. Saskatchewan had the lowest increase at 6.16%, followed by British Columbia at 6.64%.



Changes in reconstruction costs by province.

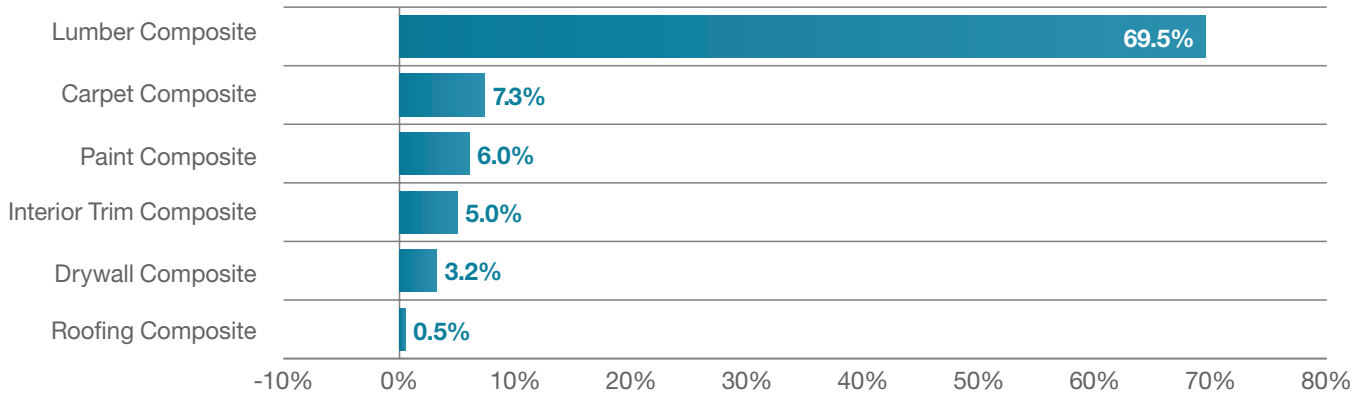
Provinces are grouped in quintiles; each range/colour in the legend includes 20% of the total number of provinces.

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

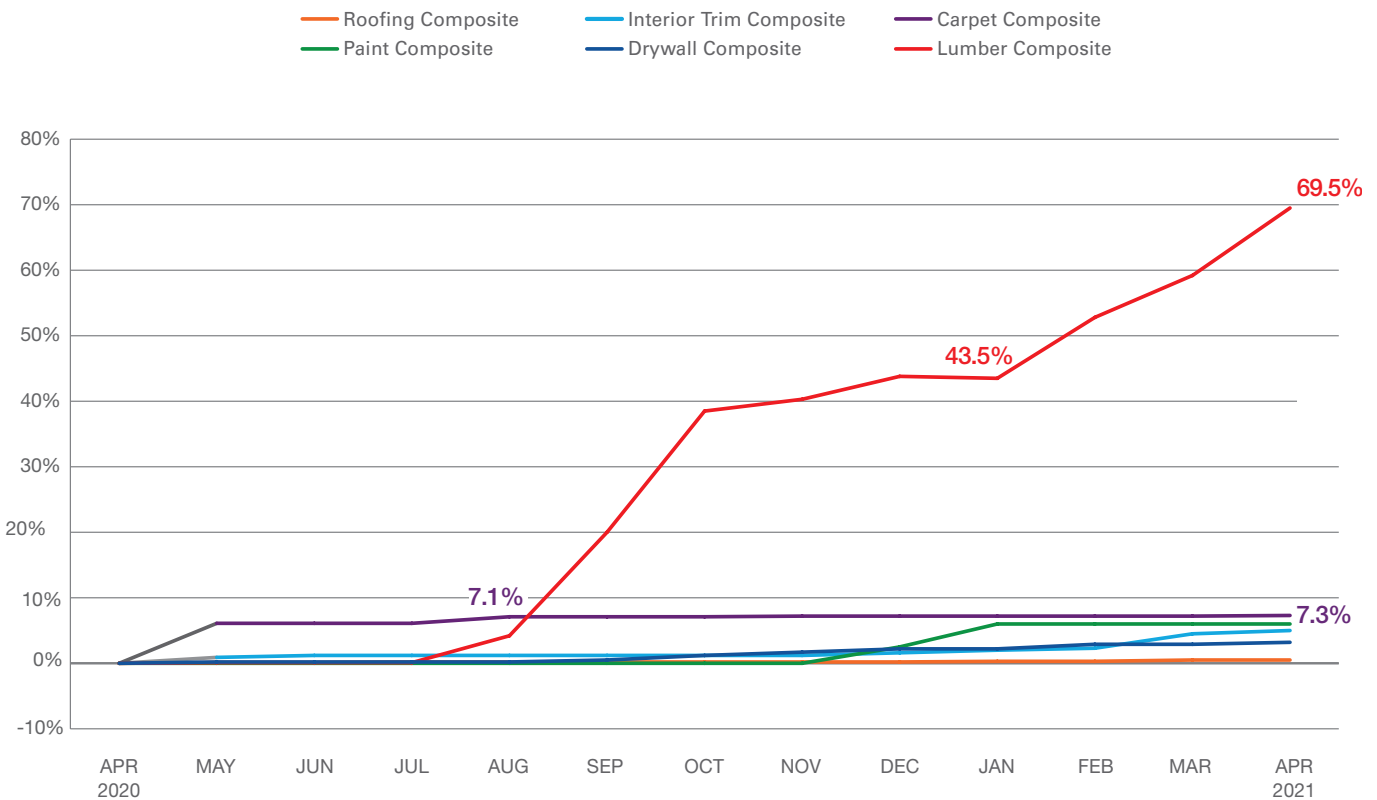
Material Cost Analysis

Total material costs increased by 13.1% from April 2020 to April 2021. Lumber continued its surge as the category showing the largest increase, with a 69.51% hike, which was even greater than the increase of 42.7% from January 2020 to January 2021. This may reflect pandemic-related constraints on supply amid an increase in building activity. Carpet and paint composite followed distantly at 7.26% and 6.01%, respectively. Interior trim composite increased 4.97%, drywall composite increased 3.2%, and roofing composite increased 0.53%.

Percentage change in costs



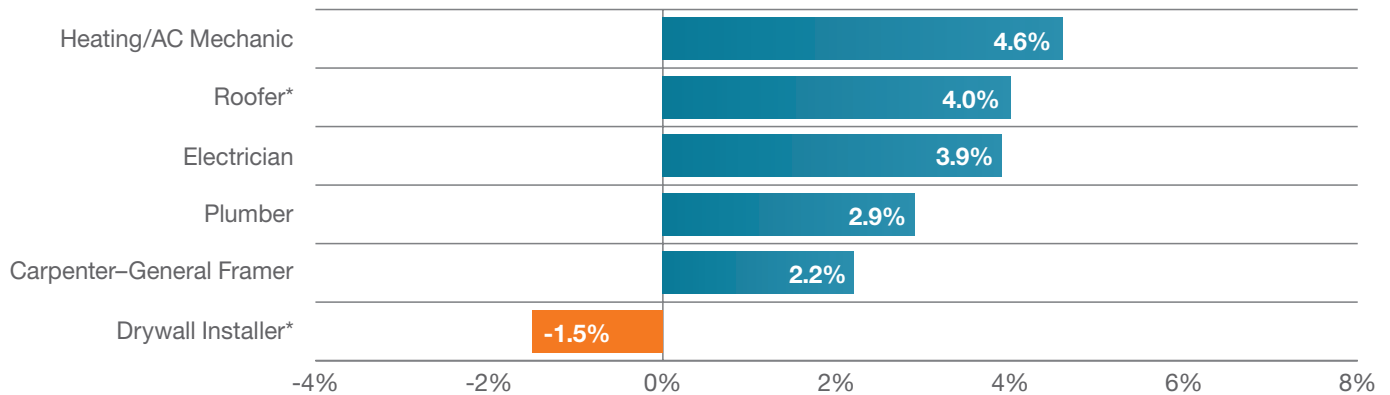
Percentage change in costs by month



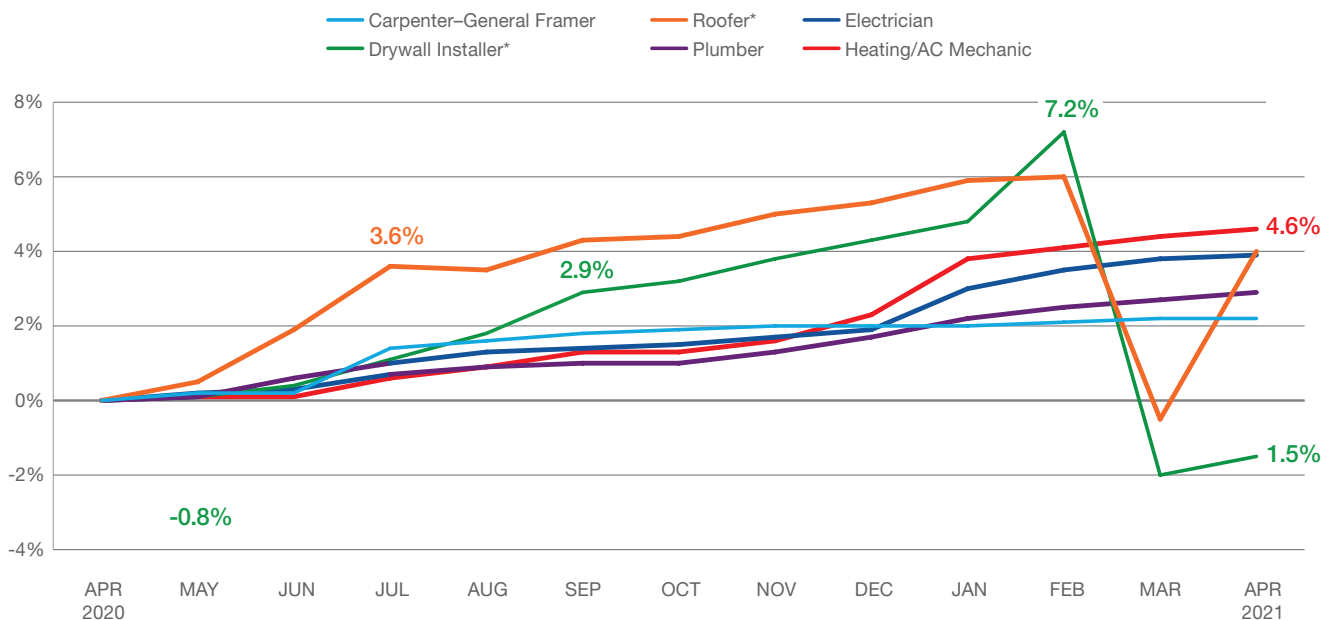
Labour Cost Analysis

Combined hourly retail labour rates increased 3.7% from April 2020 to April 2021, a smaller increase than the 7.3% notched in the January 2020 to January 2021 period. Looking at a sample of six construction trades, heating/AC mechanic grew the most at 4.57%. Increases for all other labour trades ranged from approximately 2.17% to 3.96%, with the exception of drywall installer, which decreased 1.52%.

Percentage change in costs



Percentage change in costs by month




* Based on a recent survey conducted with a large group of contractors in multiple states and provinces, we've changed an assumption in our cost calculations, increasing the time for driving and picking up materials/equipment from 30 to 60 minutes. The impact this has on the unit prices and hourly labor rates will vary based on feedback and on recent random sample surveys with contractors for labor and line item pricing. For example, in some trades where it is more common for contractors to quote unit pricing over an hourly labor rate, it may be that the current hourly labor rate was adjusted downward so the unit prices stayed constant.

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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