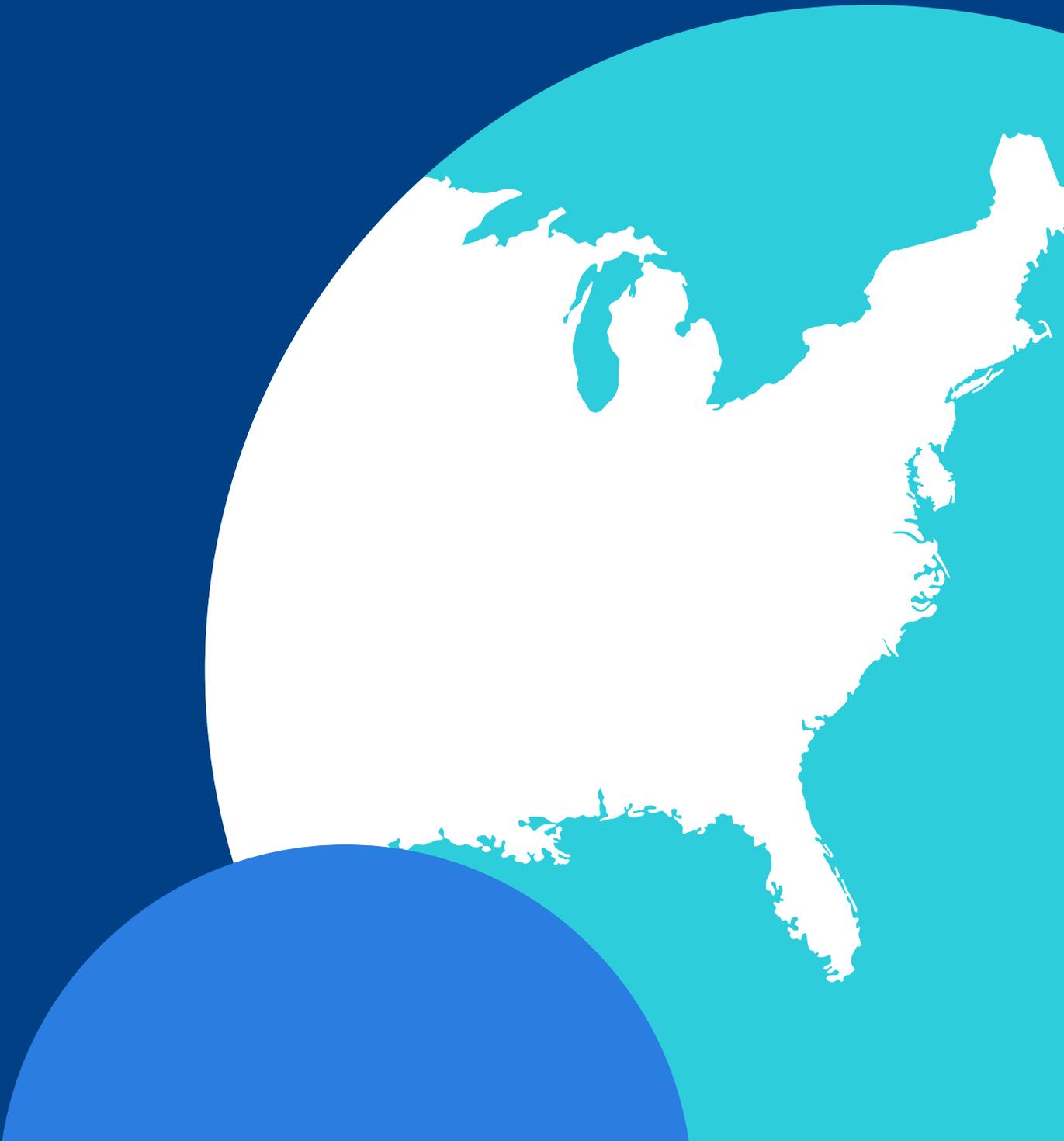




360Value Quarterly Reconstruction Cost Analysis

Q2 2022: United States

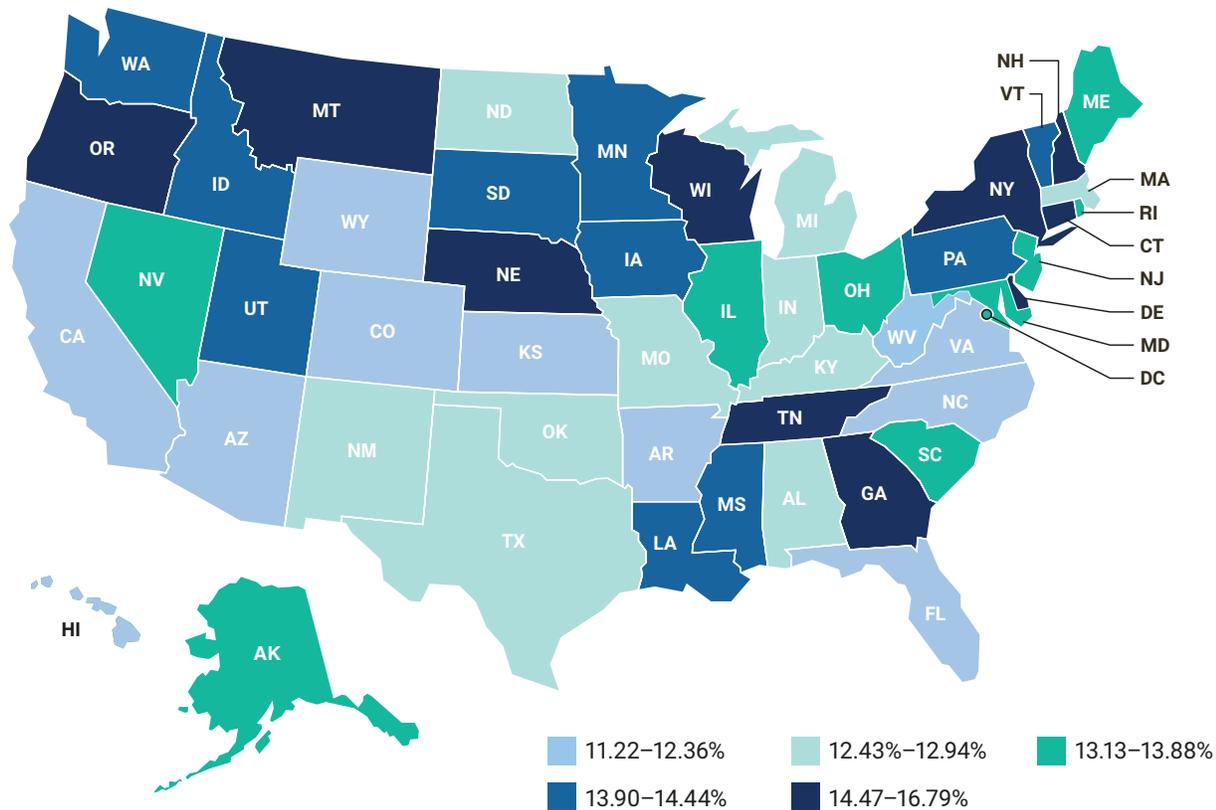


This report provides reconstruction cost trends at the national and state levels. The 360Value® Quarterly Reconstruction Cost Analysis is derived from building cost research conducted by Verisk using the industry-leading Xactimate estimating solution.

Inflation boosts reconstruction costs as higher fuel prices exacerbate volatility

Total reconstruction costs, including materials and retail labor, rose 13.5% from April 2021 to April 2022, nearly doubling the pace of increase from January 2021 to January 2022, when costs rose 7.2%. Overall inflation and rising fuel prices are driving the price swings as the cost of producing and transporting goods rises. Lumber, which reached historic highs last year before moderating, is again surging, with costs rising 28.7% year-over-year in April, nearly triple the rate of increase from three months ago. Quarterly costs rose 7.1%, up from 2.1% in January.

Reconstruction costs increased in all states. Delaware had the largest increase at 16.8% with New York and Connecticut following behind, up 16.2% and 15.5%, respectively. Hawaii had the most significant shift in rank, falling from the fifth-highest cost increase in January 2022 to 47th in April 2022, with prices rising 12% in the year-over-year period. In last place, North Carolina's costs rose 11.2% between April 2021 and April 2022.



Changes in reconstruction costs by state.

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

* All rates, percentages, increases, decreases, etc., are calculated as percentage changes from April 2021 to April 2022, unless otherwise noted.

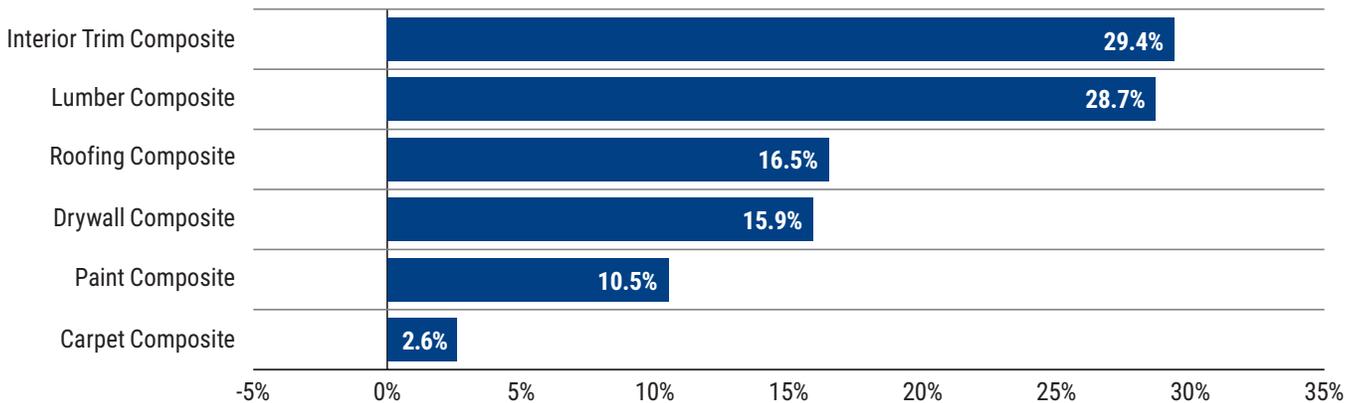
Material Cost Analysis

Combined costs for material composites increased 16.5% from April 2021 to April 2022, up from January 2021 to January 2022, when costs rose 7.5%. Prices were up for all categories. Lumber, which has been a primary driver behind rising material costs since it began its historic rise in 2020, increased 28.7% from April 2021 to April 2022. In the previous year-over-year period ending in January, lumber rose 9.8%. Lumber-derived finished goods continued to spike,

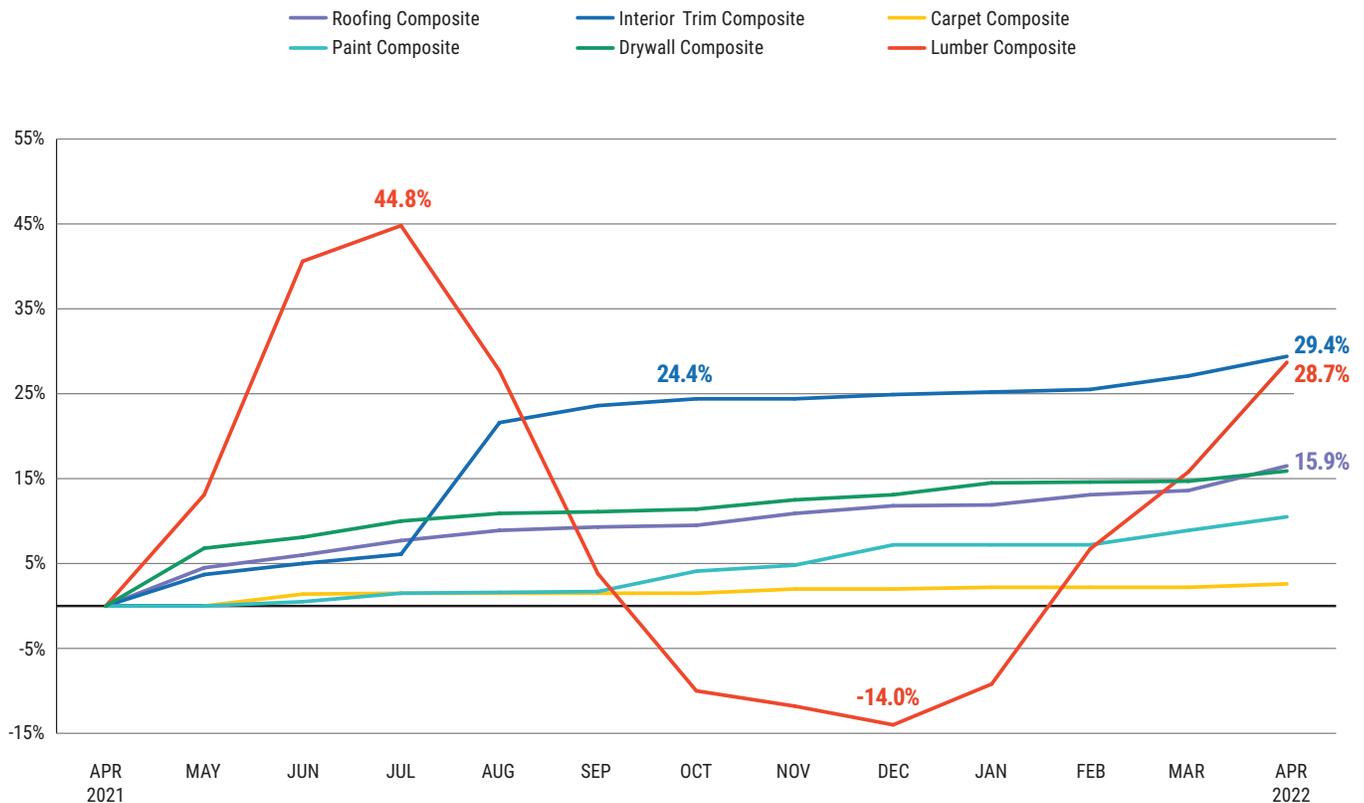
including interior trim composite, which saw prices rise 29.4% year-over-year.

Increasing fuel prices, which rose 45.9% in March, trickled into nearly every category, including roofing composite, which is produced from petroleum. Roofing rose 16.5% year-over-year, with drywall, paint, and carpet up 15.9%, 10.5, and 2.6%, respectively.

Percentage change in costs



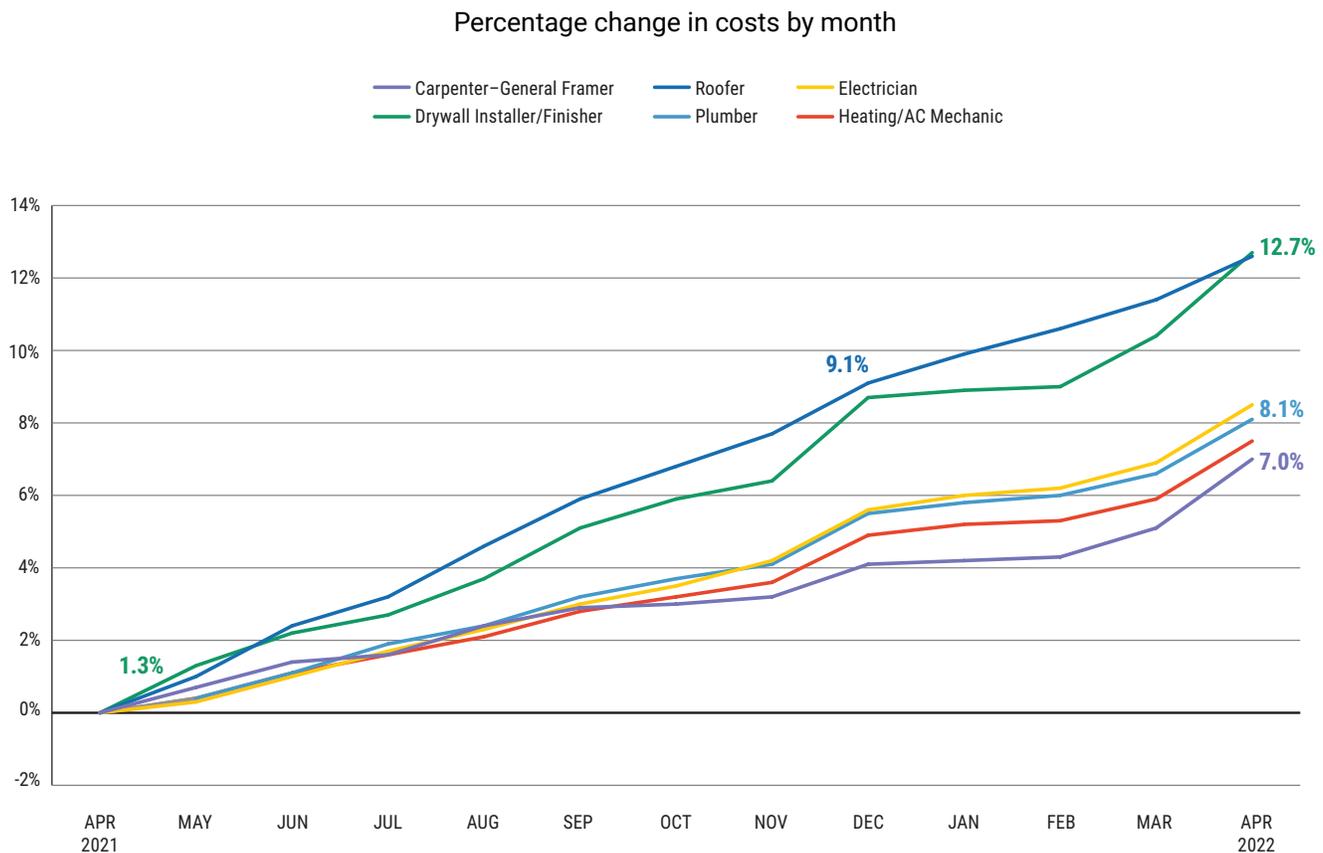
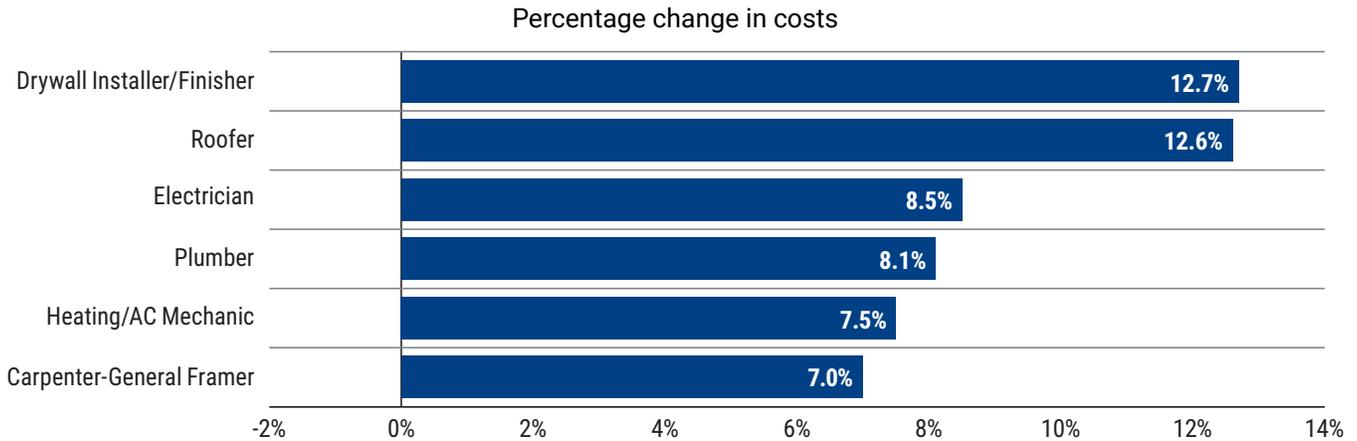
Percentage change in costs by month



Labor Cost Analysis

Combined hourly retail labor rates increased 10.4% from April 2021 to April 2022, up from the 5.3% increase recorded from January 2021 to January 2022. Drywall installer/finisher and roofer costs increased the most, rising 12.7% and 12.6%, respectively.

Electrician costs were up 8.5%, while plumber costs were up 8.1%. Heating/AC mechanic costs rose 7.5% and carpenter/general framer was up 7.0%.



About this report

The *360Value Quarterly Reconstruction Cost Analysis* is derived from building cost research conducted by Verisk using the industry-leading Xactimate estimating solution.

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.

Verisk also updates reconstruction costs monthly to support providing reliable and timely pricing information.

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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