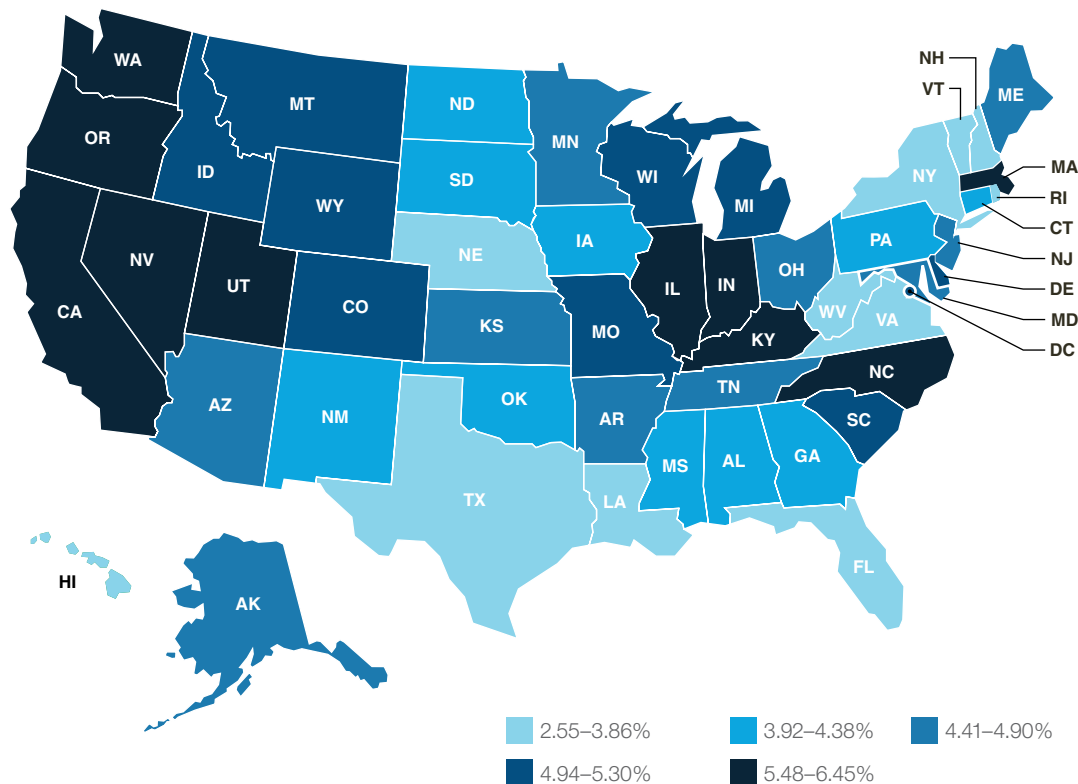


This report provides reconstruction cost trends at the national and state levels. 360Value® Quarterly Cost Updates are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost increases slowing

Total reconstruction costs, including materials and retail labor, grew 4.6 percent from October 2017 to October 2018.* This is down from the 5.1 percent growth seen from July 2017 to July 2018. During the third quarter of 2018 (July to September), costs grew 0.9 percent.

Reconstruction costs increased in all states. Indiana, North Carolina, and Nevada had the highest changes (6.5 percent, 6.4 percent, and 6.2 percent, respectively). North Carolina showed early signs of being affected by Hurricane Florence, jumping from the seventh position a quarter ago to the second highest in reconstruction costs in the country. Florida and Texas ranked much lower this quarter than in past quarters. Florida moved from fifth highest to 49th and Texas from 16th to 43rd. Hawaii continued to experience the lowest cost increases, at 2.6 percent.



Changes in reconstruction costs by state.

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

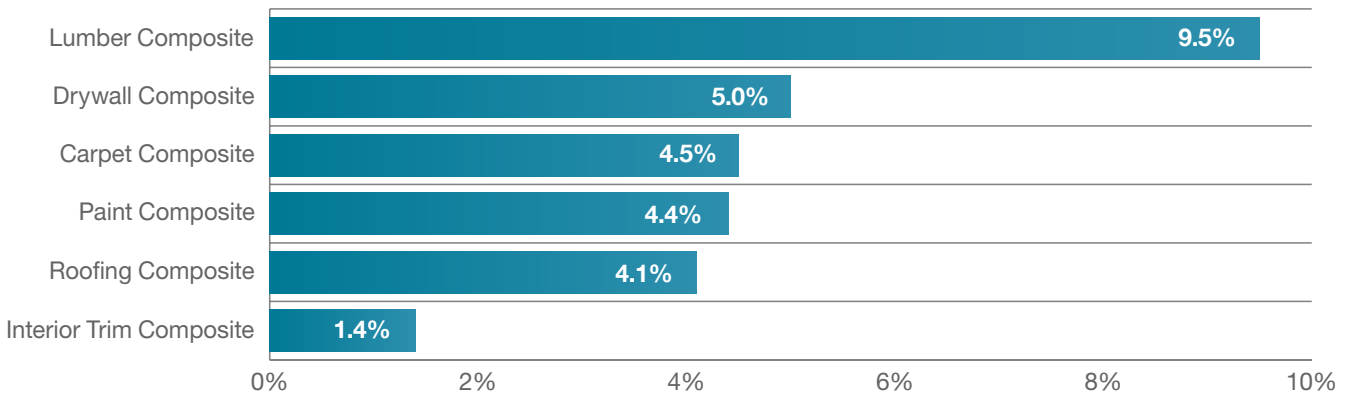
*All rates, percentages, increases, decreases, etc., are calculated as percentage change from October 2017 to October 2018, unless otherwise noted.



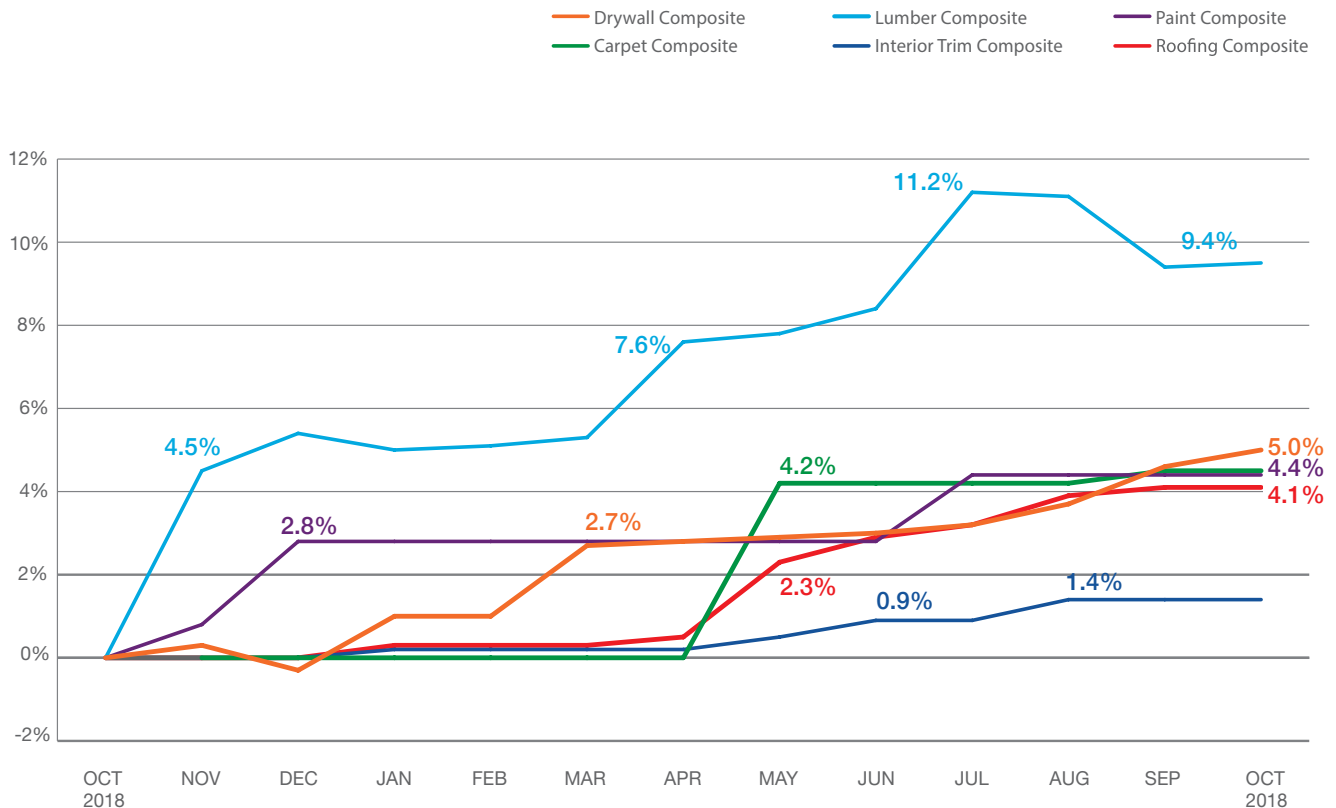
Material Cost Analysis

Combined costs for material composites increased 4.3 percent. Costs increased for all categories. Lumber costs showed a smaller total increase than in the past but still grew the most of all categories, at 9.5 percent. Interior trim, roofing, and drywall each experienced steady increases. Carpet and paint showed steeper jumps followed by plateaus, both ending at about a 4.5 percent cost increase.

Percentage change in costs



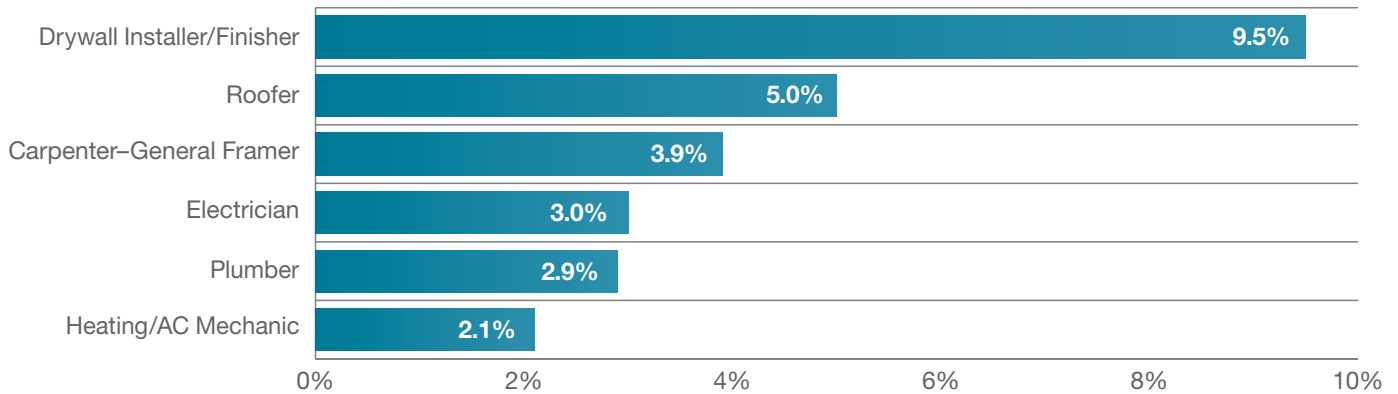
Percentage change in costs by month



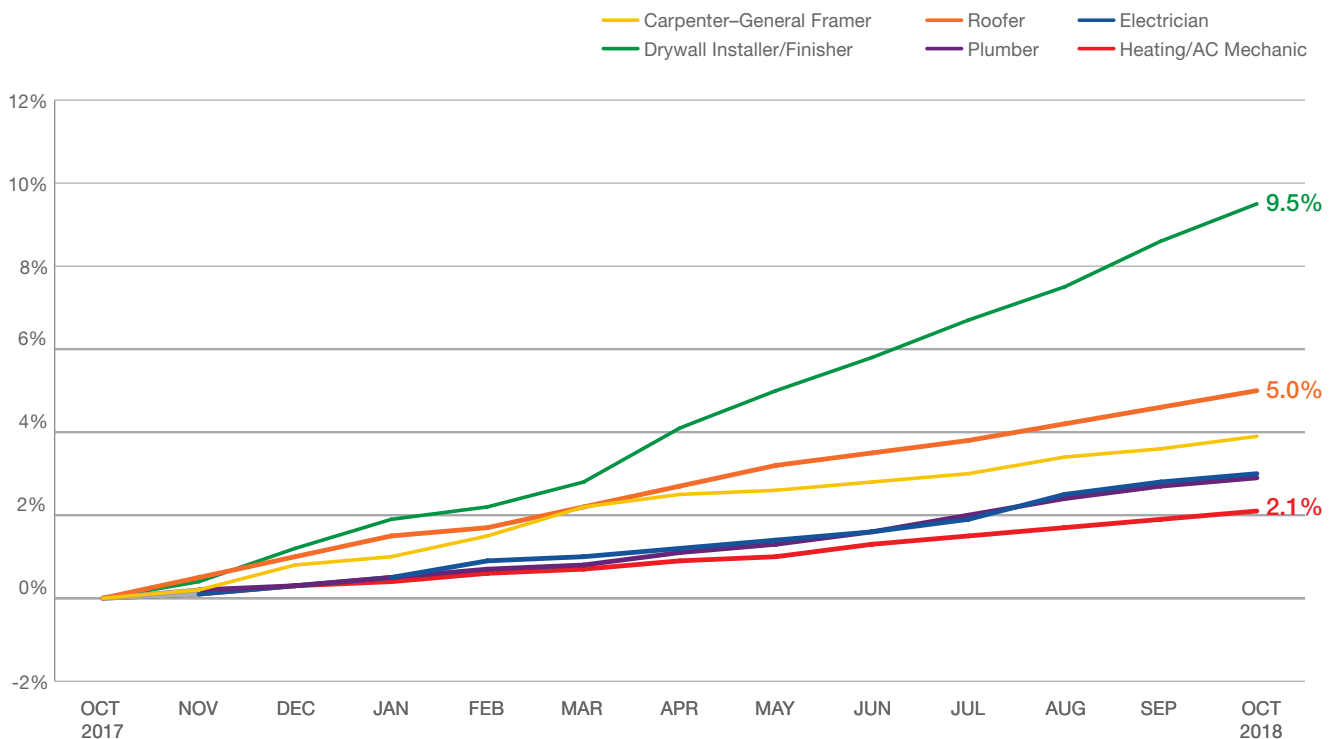
Labor Cost Analysis

Combined retail labor costs increased 4.1 percent. All common labor trades saw steady cost increases. Drywall installer/finisher costs increased the most, at 9.5 percent. Roofer costs increased the second most, at 5.0 percent, a 4.5-percentage-point difference from drywall installer/finisher. Heating/AC mechanic costs had the lowest total increase, at 2.1 percent.

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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