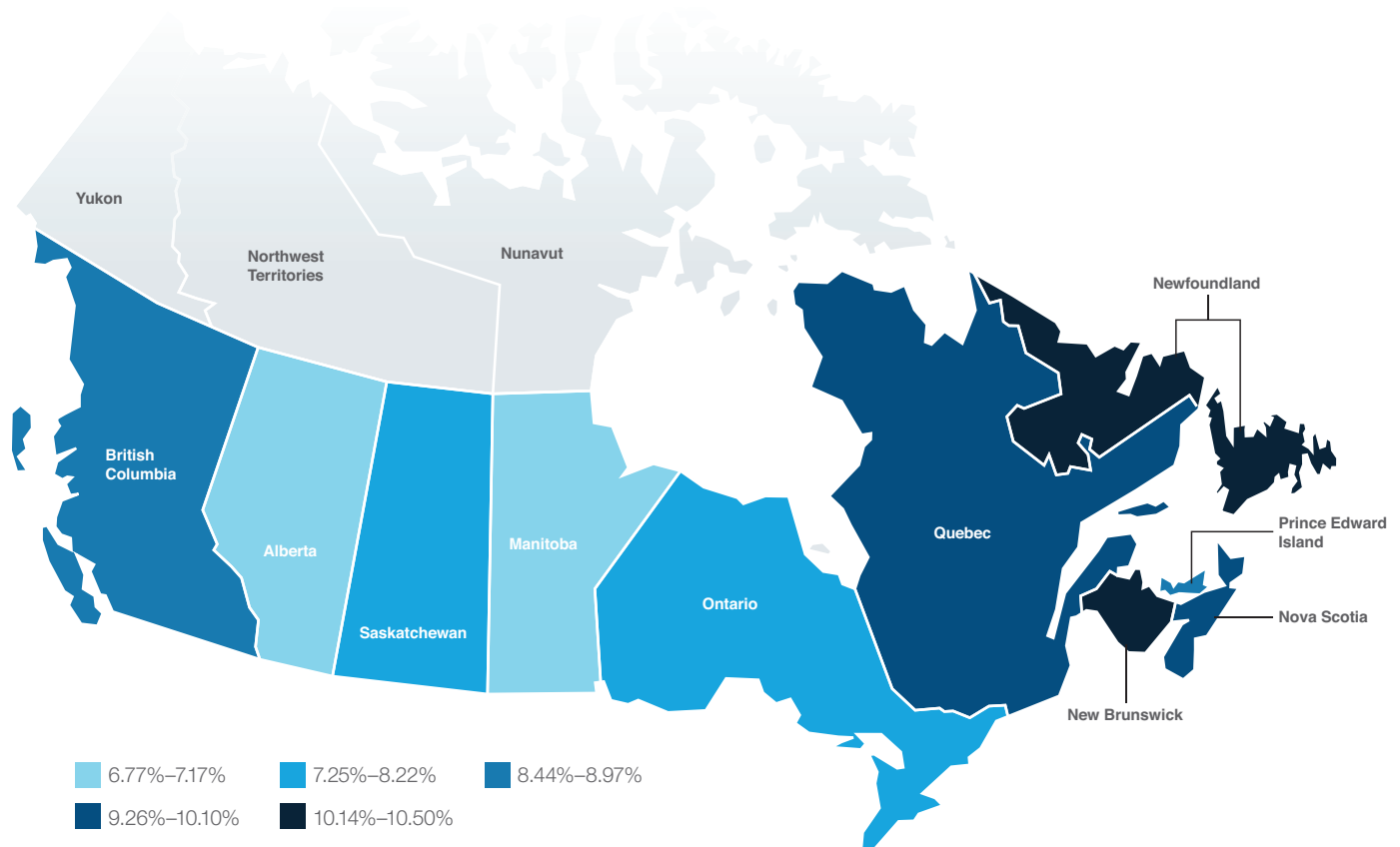


This report provides reconstruction cost trends at the national and provincial levels. The 360Value® Reconstruction Cost Analysis is derived from building cost research conducted by industry leader Xactware.®

Reconstruction costs rise as lumber prices increase more slowly

Total reconstruction costs, including materials and retail labour, rose 8.6% from October 2020 to October 2021, down from the 16.9% increase recorded between July 2020 and July 2021 as lumber prices rise at a less rapid pace. During the third quarter of 2021 (July through September), reconstruction costs fell 3.1%, compared with an increase of 9% in the prior quarter.

All provinces experienced cost increases. New Brunswick and Newfoundland had the highest growth rates at 10.5% and 10.1%, respectively. Manitoba and Alberta experienced the lowest increases at 6.8% and 7.2%, respectively.



Changes in reconstruction costs by province.

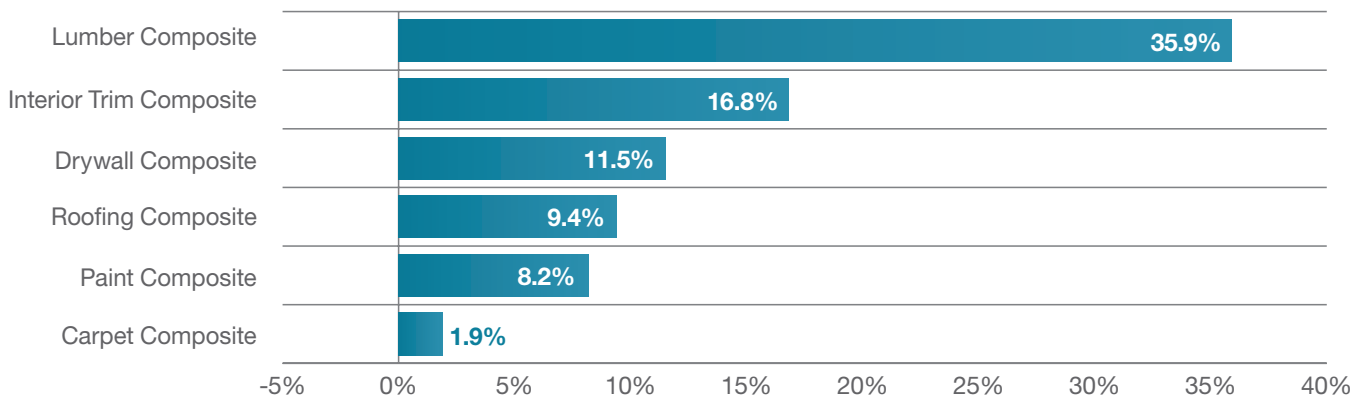
Provinces are grouped in quintiles; each range/colour in the legend includes 20% of the total number of provinces.

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

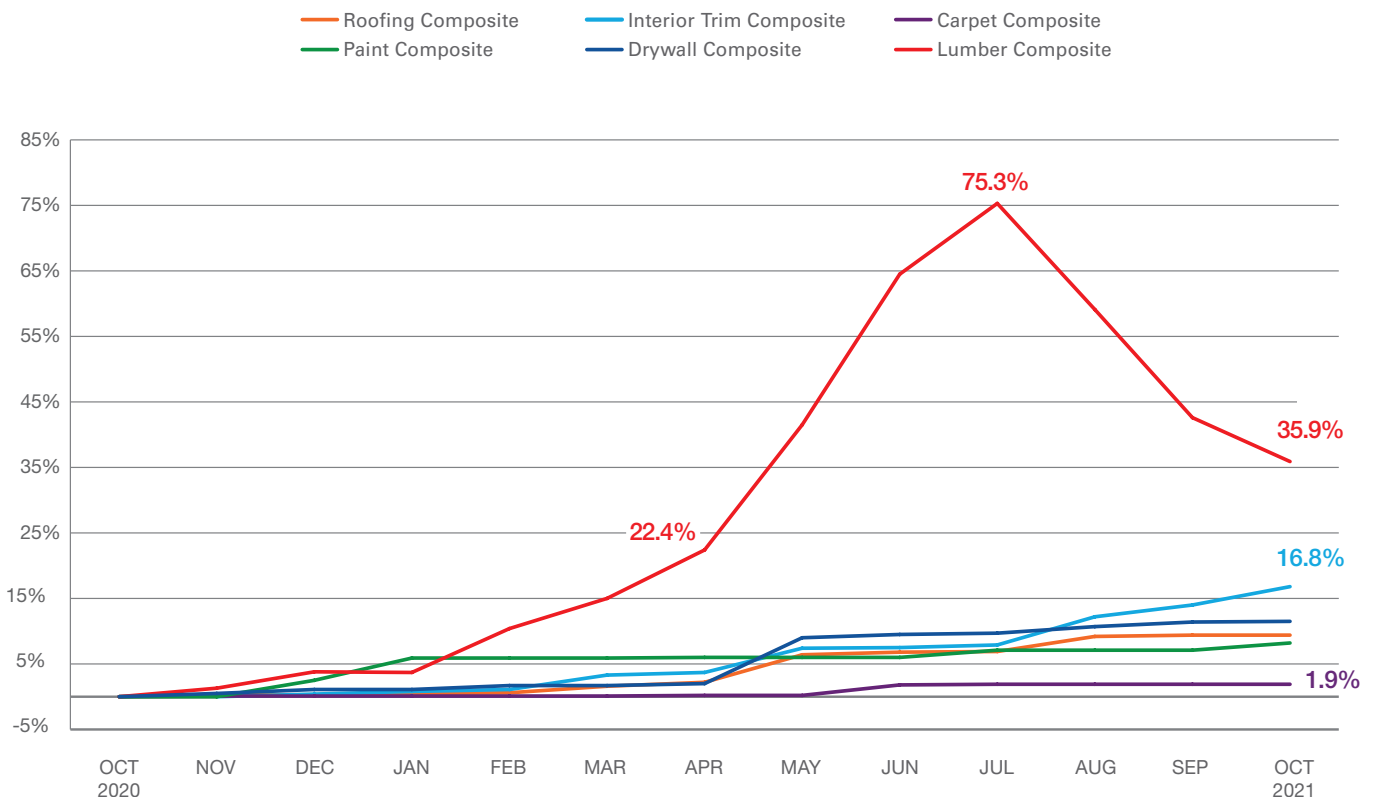
Material Cost Analysis

Total material costs increased by 10.9% from October 2020 to October 2021. This was well off the 27% increase recorded between July 2020 and July 2021. Lumber continued to be the category experiencing the largest gain, with a 35.9% increase. This increase reflects a significant fall from the 142.5% hike recorded between July 2020 and July 2021. Interior trim composite, which includes finished lumber products such as interior doors, was up 16.8% in the year-over-year period, a slight increase compared to the 7.9% gained in the prior quarter. Drywall was up 11.5%, followed by roofing at 9.4%, paint at 8.2%, and carpet at 1.9%.

Percentage change in costs



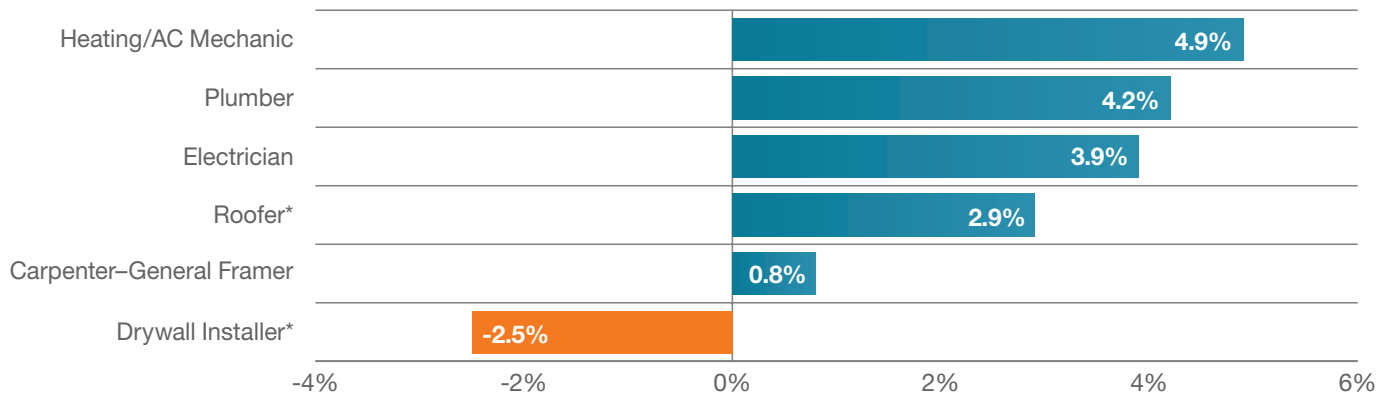
Percentage change in costs by month



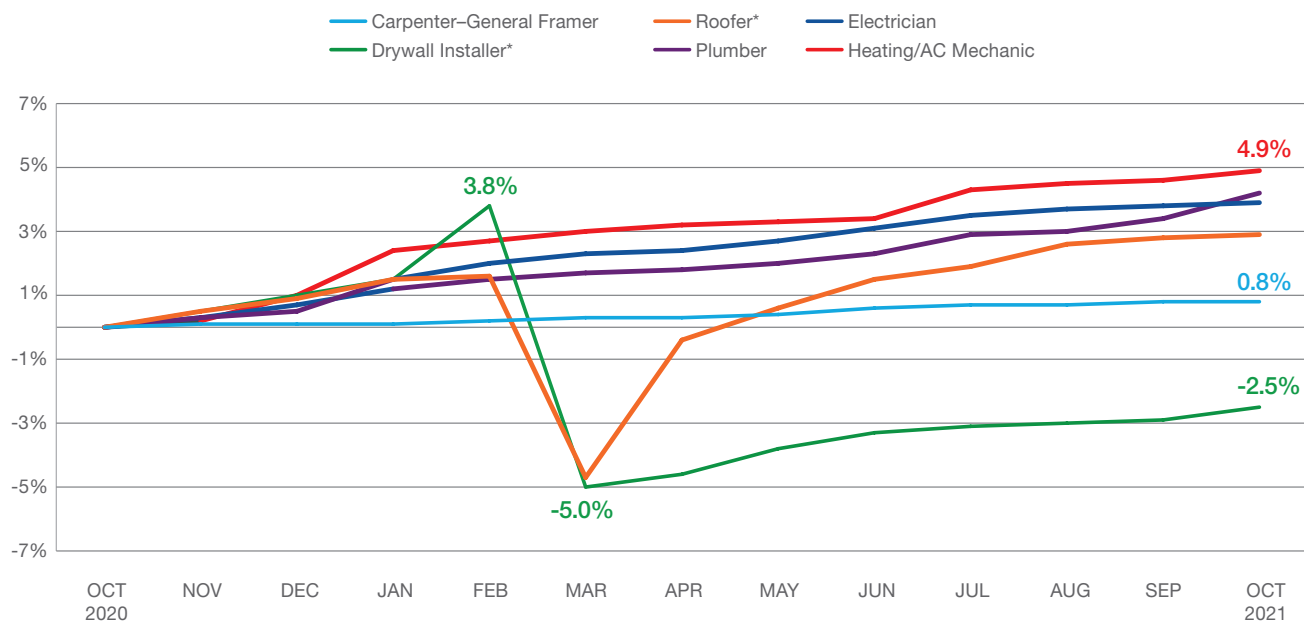
Labour Cost Analysis

Combined retail labour rates increased 4.5% from October 2020 to October 2021, up from July 2020 to July 2021, when labour rates rose 4.3%. Among the construction trades, heating/AC mechanic costs rose the most at 4.9%. Other trades rose 0.8% to 4.2%, except for drywall installer costs, which fell 2.5% in the year-over-year period.

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 labour rates will vary based on feedback and on recent random sample surveys with contractors for labour and line item pricing. For example, in some trades where it is more common for contractors to quote unit pricing over an hourly labour rate, it may be that the current hourly labour rate was adjusted downward so the unit prices stayed constant.

About this report

The *360Value Reconstruction Cost Analysis* 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. 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.

 1-800-444-4554, option 3

 [verisk.com/360Value](https://www.verisk.com/360Value)



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