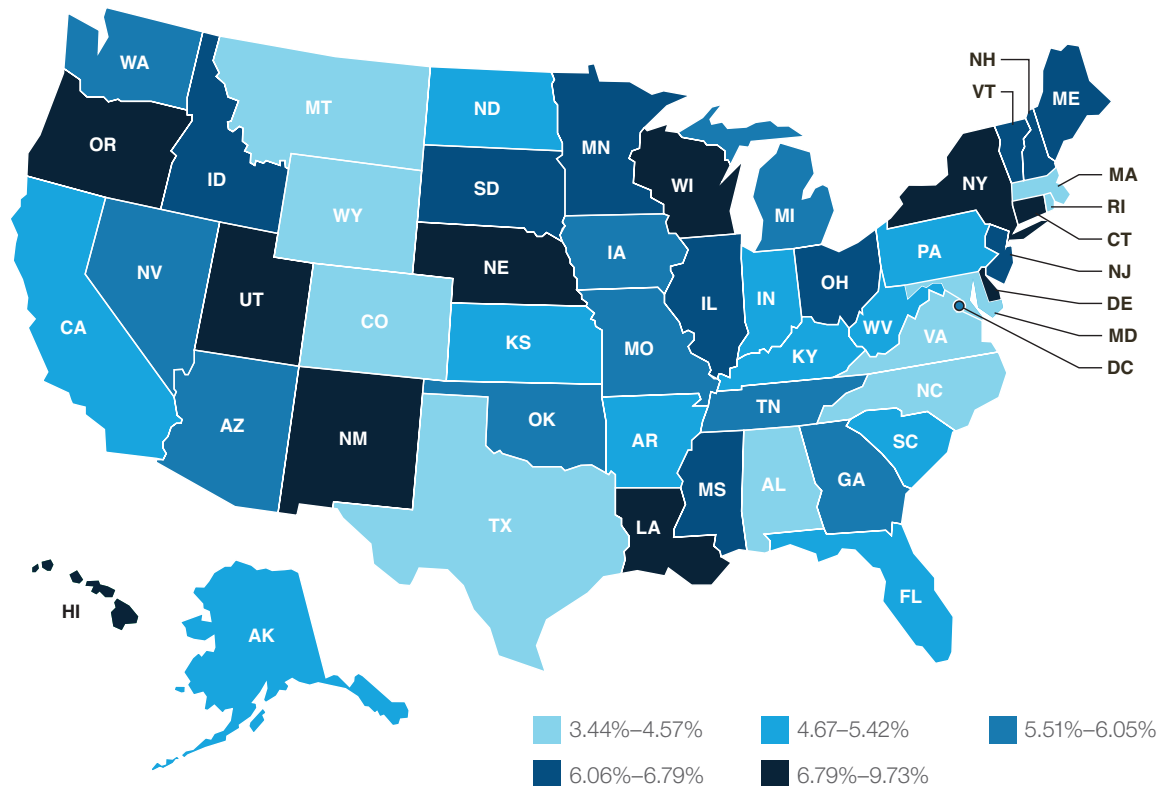


This report provides reconstruction cost trends at the national and state levels. The 360Value® Reconstruction Cost Analysis is derived from building cost research conducted by industry leader Xactware.®

# Lumber’s volatility softens overall reconstruction cost increases

Total reconstruction costs, including materials and retail labor, rose 5.8% from October 2020 to October 2021, moderating significantly from July 2020 to July 2021, when costs rose 16.7%. The steep hike in lumber that began in October 2020 and peaked in July of 2021 is rising at a much slower pace, with prices increasing 4.1% year-over-year in October 2021. Lumber remains elevated compared with pre-pandemic pricing. Quarterly costs were down 4.8%, a contrast to the 8.8% increase in the prior quarter.

Reconstruction costs increased in all states. New York, Wisconsin, and Louisiana had the largest increases year-over-year at 9.7%, 9.5%, and 7.6%, respectively. Wyoming had the lowest change at 3.4%. Rhode Island had the most significant shift in ranking, with prices rising just 4.4% in the most recent year-over-year period compared with a gain of 19% between July 2020 and July 2021.



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 October 2020 to October 2021, unless otherwise noted.

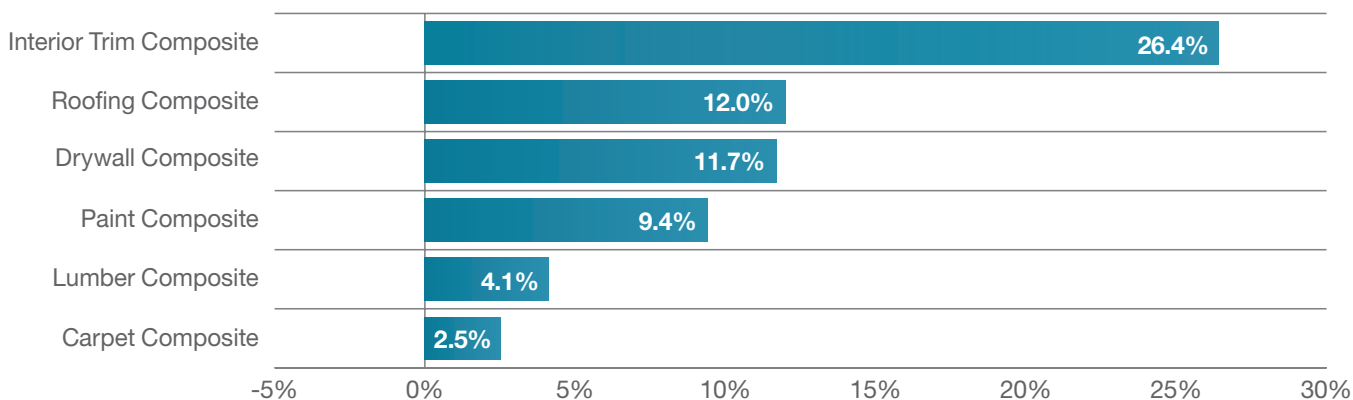


### Material Cost Analysis

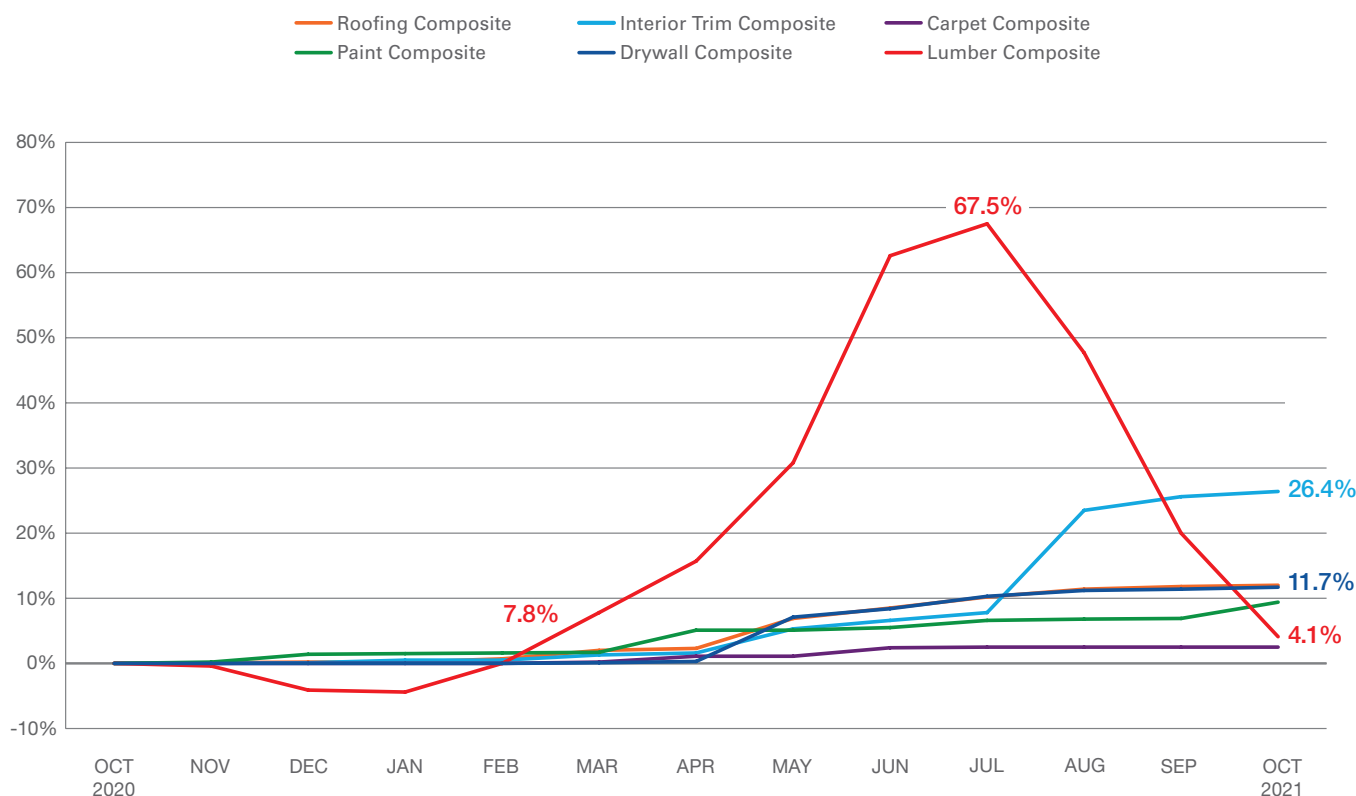
Combined costs for material composites increased 5.4% from October 2020 to October 2021, falling from July 2020 to July 2021, when material costs rose 30.4%. Prices were up for all categories. Lumber, which has been the driver behind rising material costs since beginning its steep climb in 2020, rose just 4.1% from October 2020 to October 2021.

While lumber supply seems to be easing, materials shortages of lumber-derived finished goods are continuing in some categories. The category with the largest spike this period was interior trim composite, which saw prices rise 26.4% year-over-year, a bump from July when it rose 7.8%. A major factor in that category is the rising price of interior wood doors and associated materials, such as jambs. Drywall, paint, and carpet were up 11.7%, 9.4%, and 2.5%, respectively.

Percentage change in costs



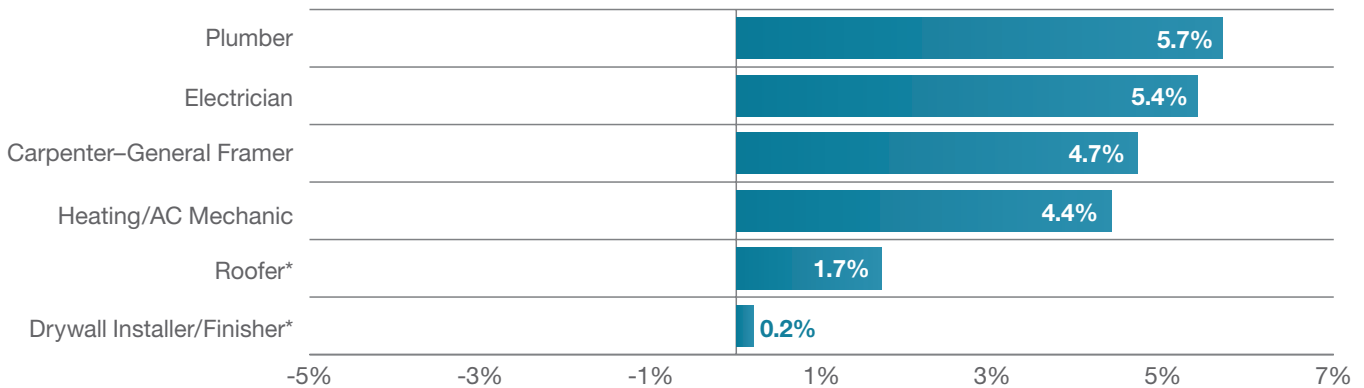
Percentage change in costs by month



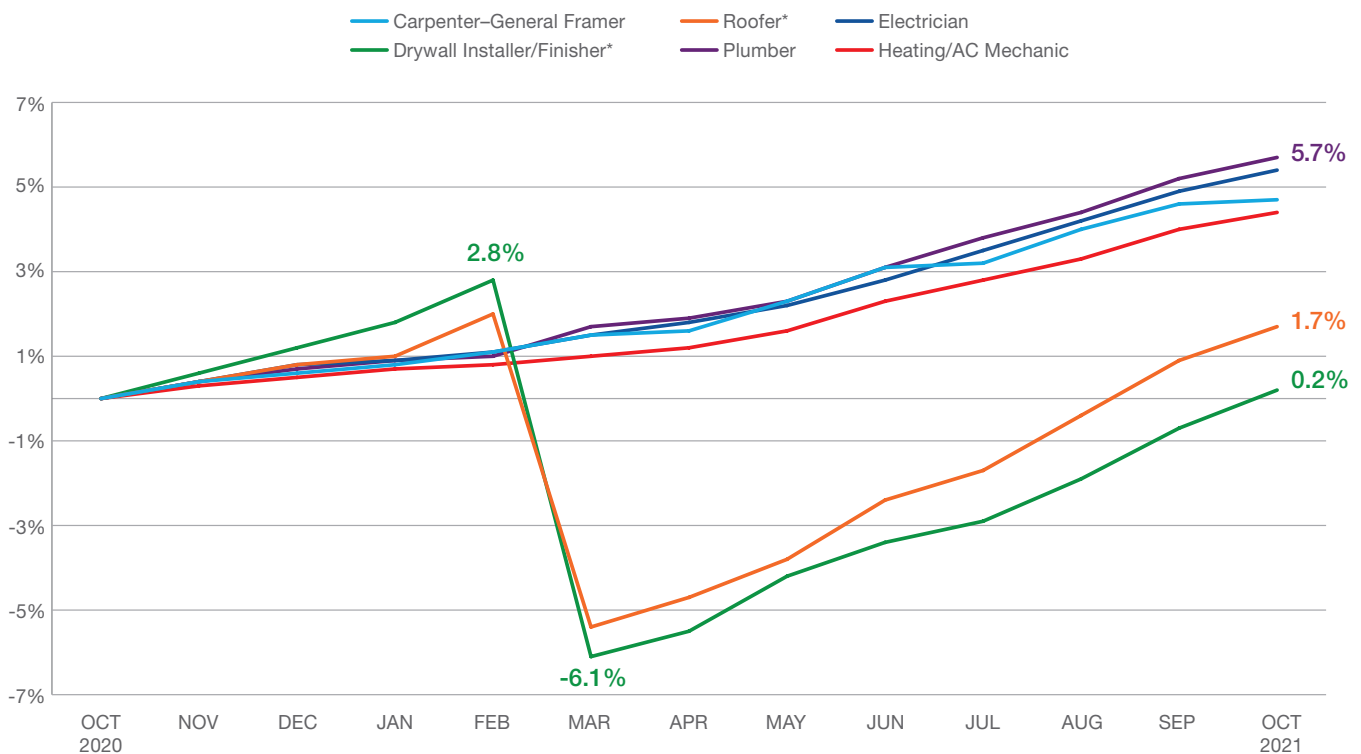
### Labor Cost Analysis

Combined hourly retail labor rates increased 4.3% from October 2020 to October 2021, up a tick from the 4.1% increase recorded from July 2020 to July 2021. Plumber costs increased the most, at 5.7%. Electrician cost increases were a close second place at 5.4%. Carpenter-general framer costs were up 4.7%, while heating/AC mechanic costs were up 4.4%. Roofer costs were up just 1.7%, and drywall installer/finisher costs rose 0.2%.

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

The *360Value Reconstruction Cost Analysis* is 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. 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

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