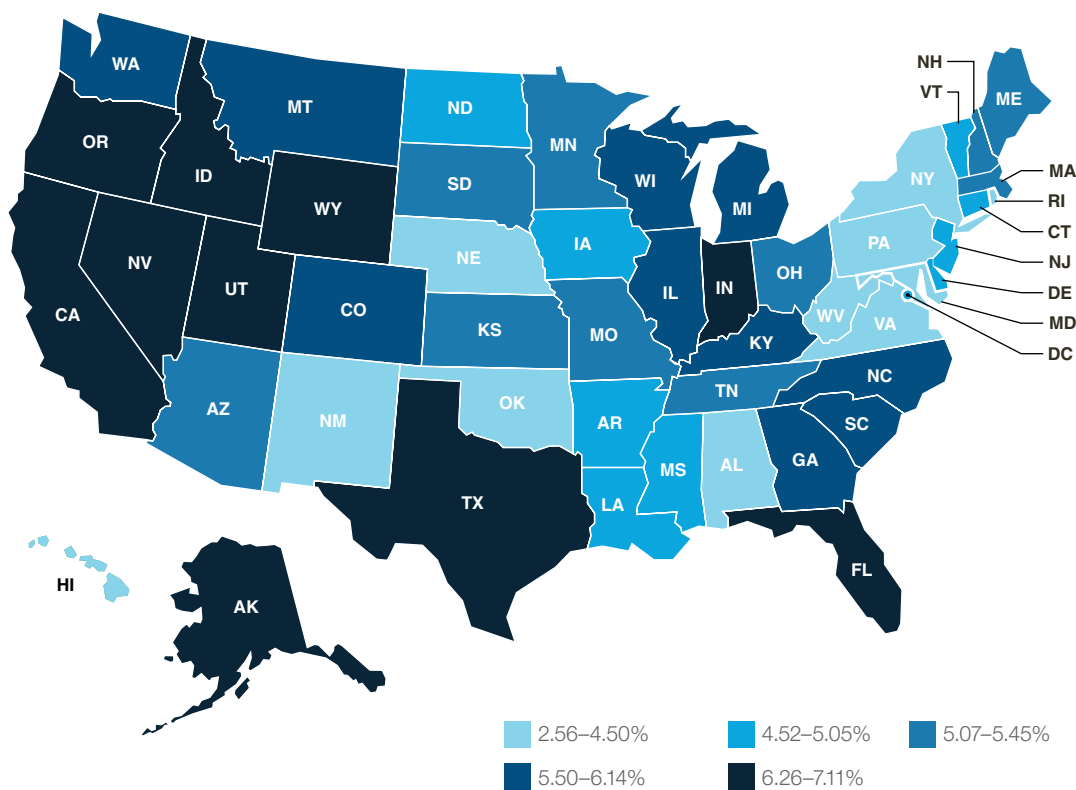


This report provides reconstruction cost trends at the national and state levels. 360Value® Quarterly Cost Updates are derived from building cost research conducted by industry leader Xactware.

Reconstruction costs increase at highest rate since early 2015

Total reconstruction costs, including materials and retail labor, grew 5.2 percent* in the past 12 months, representing the highest year-to-year increase since April 2015 (5.6 percent).

Costs increased in all states. Oregon, Utah, and Alaska had the highest increases (7.1 percent, 6.9 percent, and 6.6 percent, respectively). Alaska leaped from the 25th-highest increase last period** to third-highest. Idaho trailed closely behind Alaska, increasing 6.5 percent. Hawaii continues to experience the lowest 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.

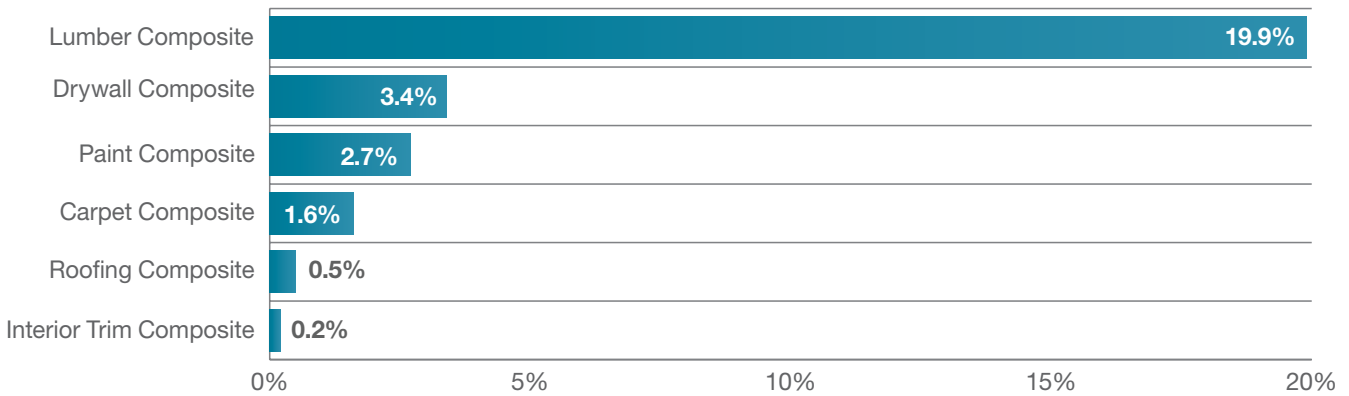
*All rates, percentages, increases, decreases, etc., are calculated as percentage change from beginning of April 2017 to April 2018, unless otherwise noted.

**Last period refers to the 12 months from beginning of January 2017 to January 2018.

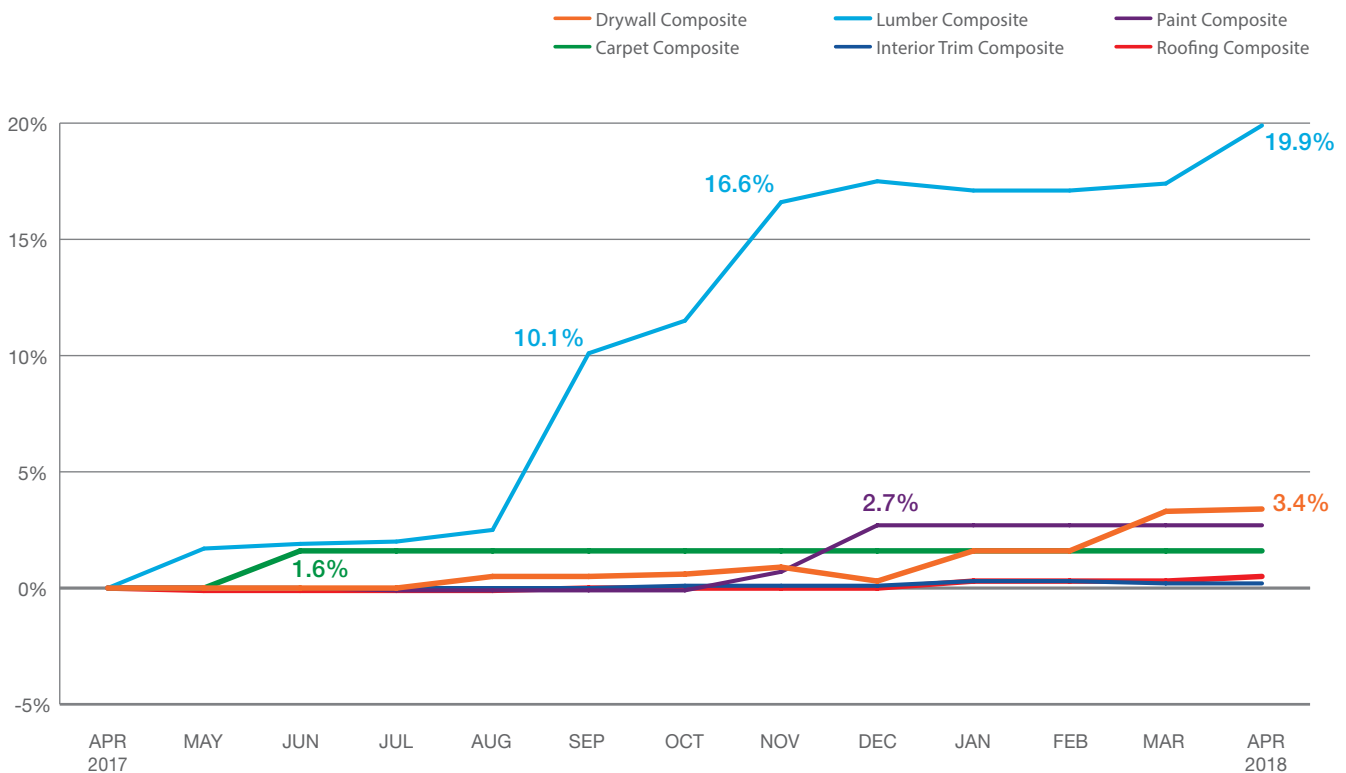
Material Cost Analysis

Combined costs for material composites that we track increased 4.9 percent. This compares to a 3.7 percent increase last period. We identified key changes to several material composite categories. Lumber costs skyrocketed 19.9 percent, with factors such as Canadian tariffs and mill shutdowns due to fires in British Columbia contributing to the increase. Drywall and paint costs each increased approximately 3.0 percent. While drywall costs increased at a relatively steady rate due to gypsum board cost changes, the overall increase in paint costs was driven by a 2.0-percentage-point rise from November to December.

Percentage change in costs



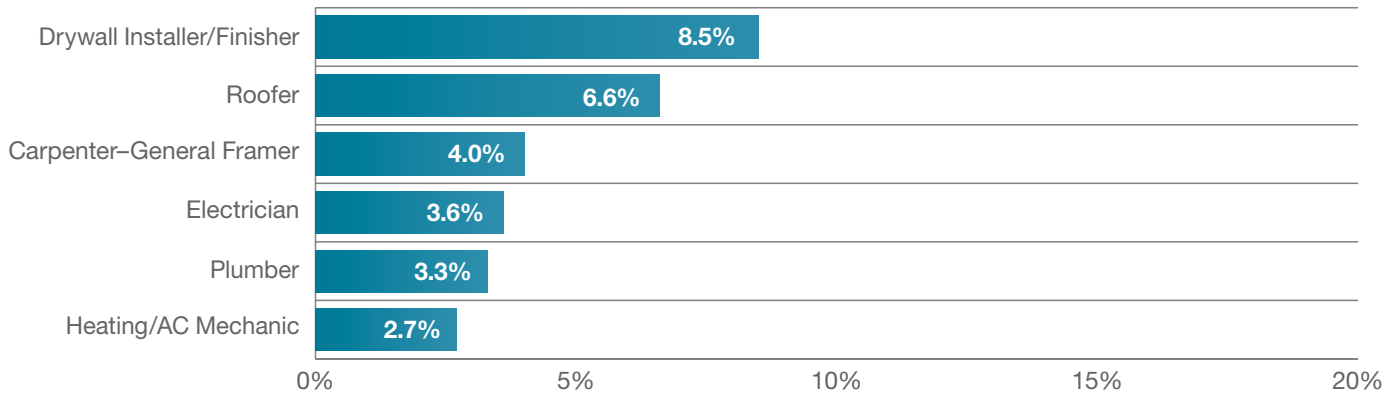
Percentage change in costs by month



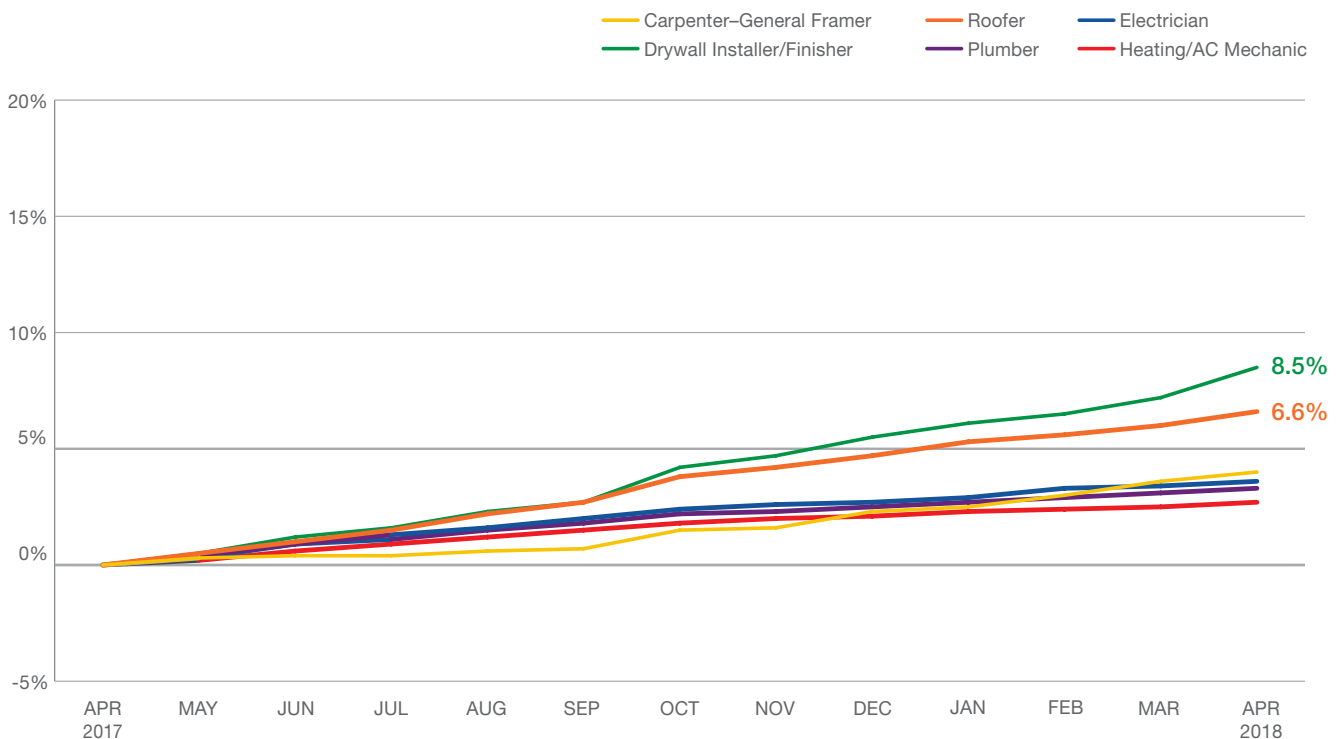
Labor Cost Analysis

Combined retail labor costs increased 4.4 percent; little changed from the 4.3 percent increase last period. All six of the common labor trades saw small but steady cost increases over the past 12 months. Rates for drywall installers increased the most at 8.5 percent. Cost increases for roofers were second highest at 6.6 percent. Labor costs for carpenters, electricians, plumbers, and heating/AC mechanics rose by approximately 3.0 to 4.0 percent each.

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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