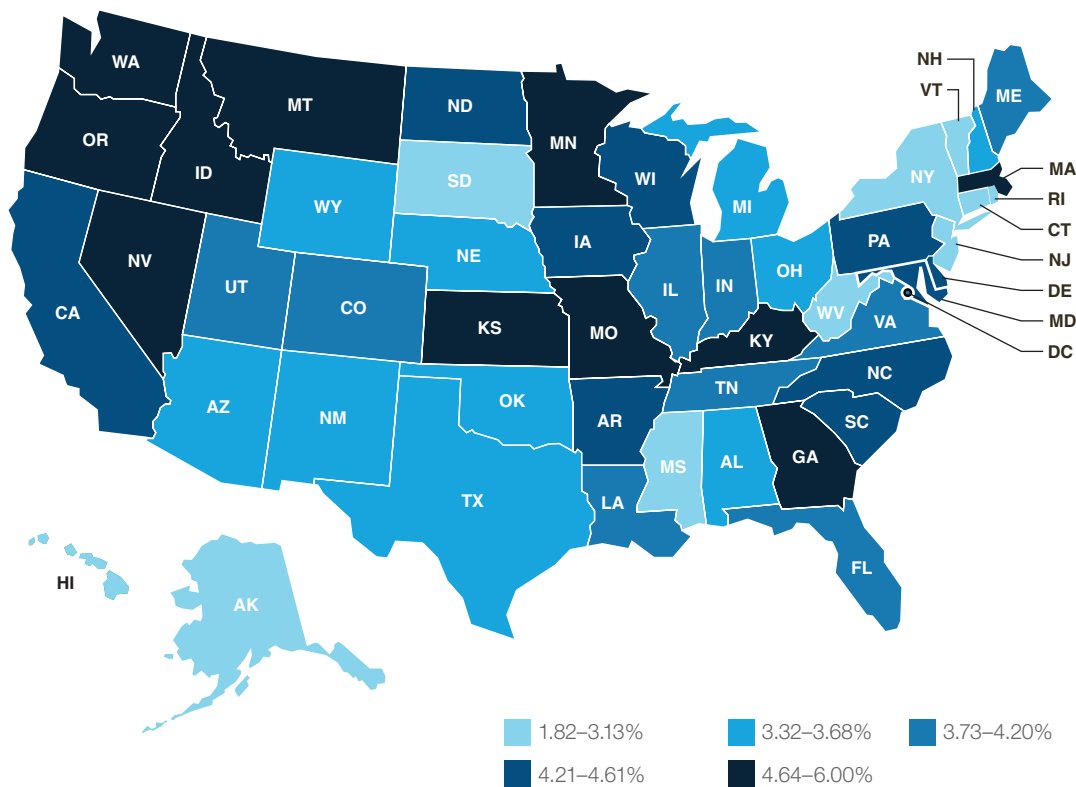


This report provides reconstruction cost trends at the national and state levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost increases show signs of flattening

Total reconstruction costs, including materials and retail labor, grew 3.9 percent from April 2018 to April 2019.* This is consistent with the 3.7 percent growth seen from January 2018 to January 2019, halting the pattern of decreasing total costs seen until recently. This could be an early sign of costs leveling off. During the first quarter of 2019 (January through March), costs grew very little, by 1.2 percent.

Reconstruction costs increased in all states. Kentucky, Washington, and Georgia had the biggest changes (6.0 percent, 5.5 percent, and 5.5 percent, respectively). Alaska had the lowest cost change, at 1.8 percent, dropping 22 rank positions from the 29th biggest change.



Changes in reconstruction costs by state.

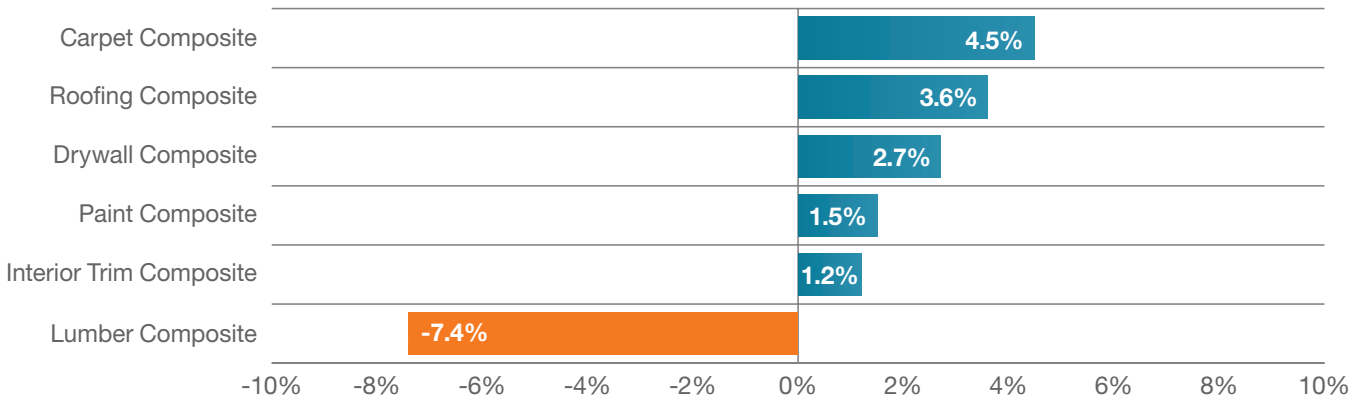
States are grouped in quintiles; each range/color in the legend includes 20 percent of the total number of states.

*All rates, percentages, increases, decreases, etc., are calculated as a percentage change from April 2018 to April 2019, unless otherwise noted.

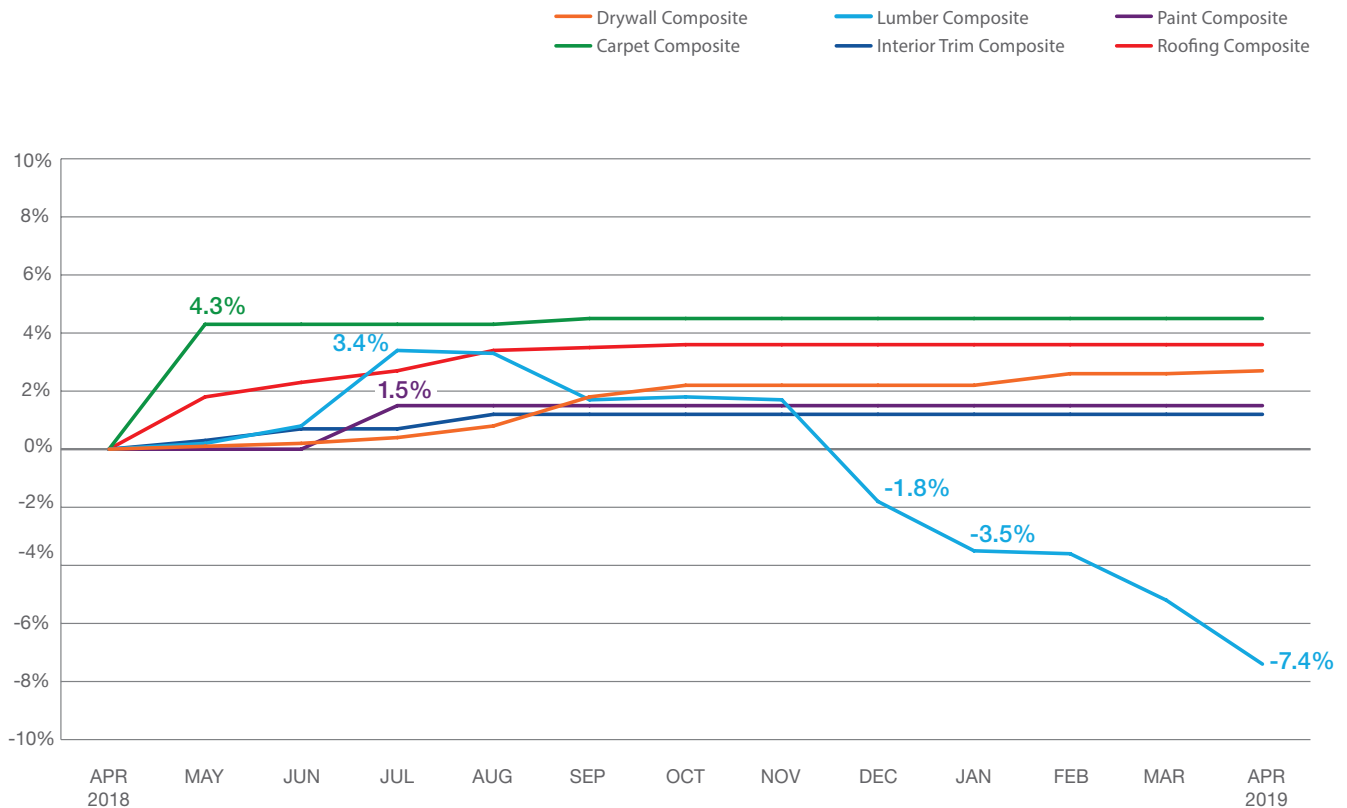
Material Cost Analysis

Combined costs for material composites increased 2.5 percent since April 2018. Costs increased for all categories except lumber. Though lumber costs recently skyrocketed, they are now trending down, recording a 7.4 percent decline. Drywall composite, roofing, paint, and interior trim all grew at a relatively steady pace, while carpeting saw a larger increase in May and leveled off for the rest of the year. It had the biggest change overall, at 4.5 percent.

Percentage change in costs



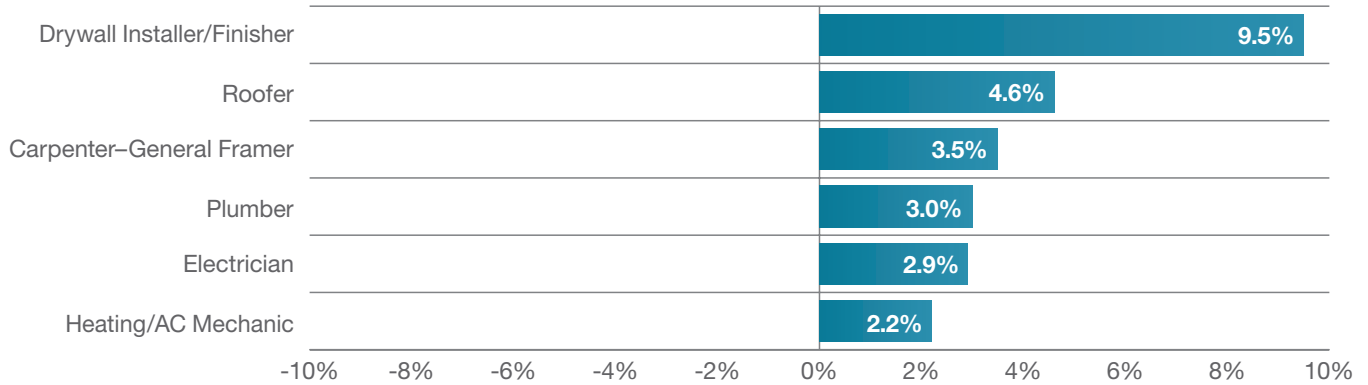
Percentage change in costs by month



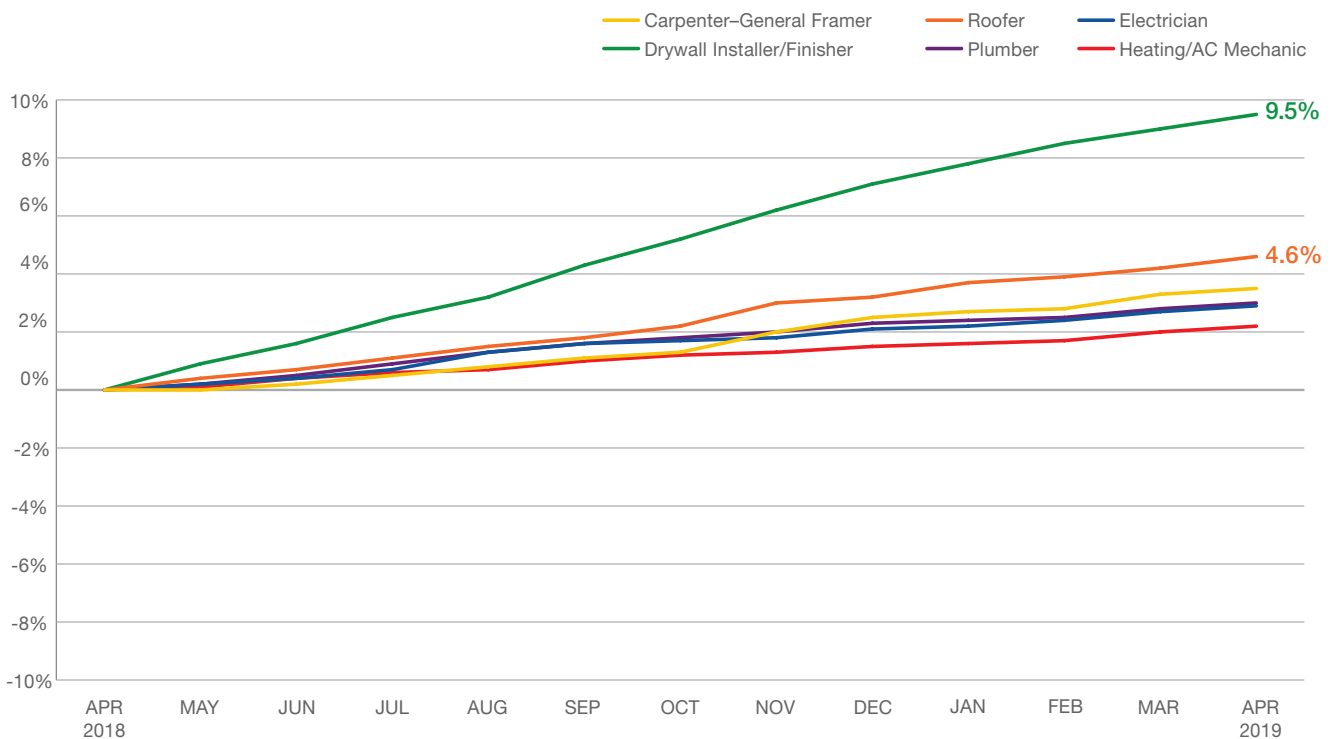
Labor Cost Analysis

Combined retail labor costs increased 4.0 percent since April 2018, continuing a steady growth trend from the preceding quarter. All common labor trades saw steady cost increases. Drywall installer/finisher costs continued to increase the most, at 9.5 percent. Roofer cost increases trailed drywall by a wide margin: 4.9 percentage points. Heating/AC mechanic costs continued to show the smallest total increase, at 2.2 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.



1-800-444-4554, option 3



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

