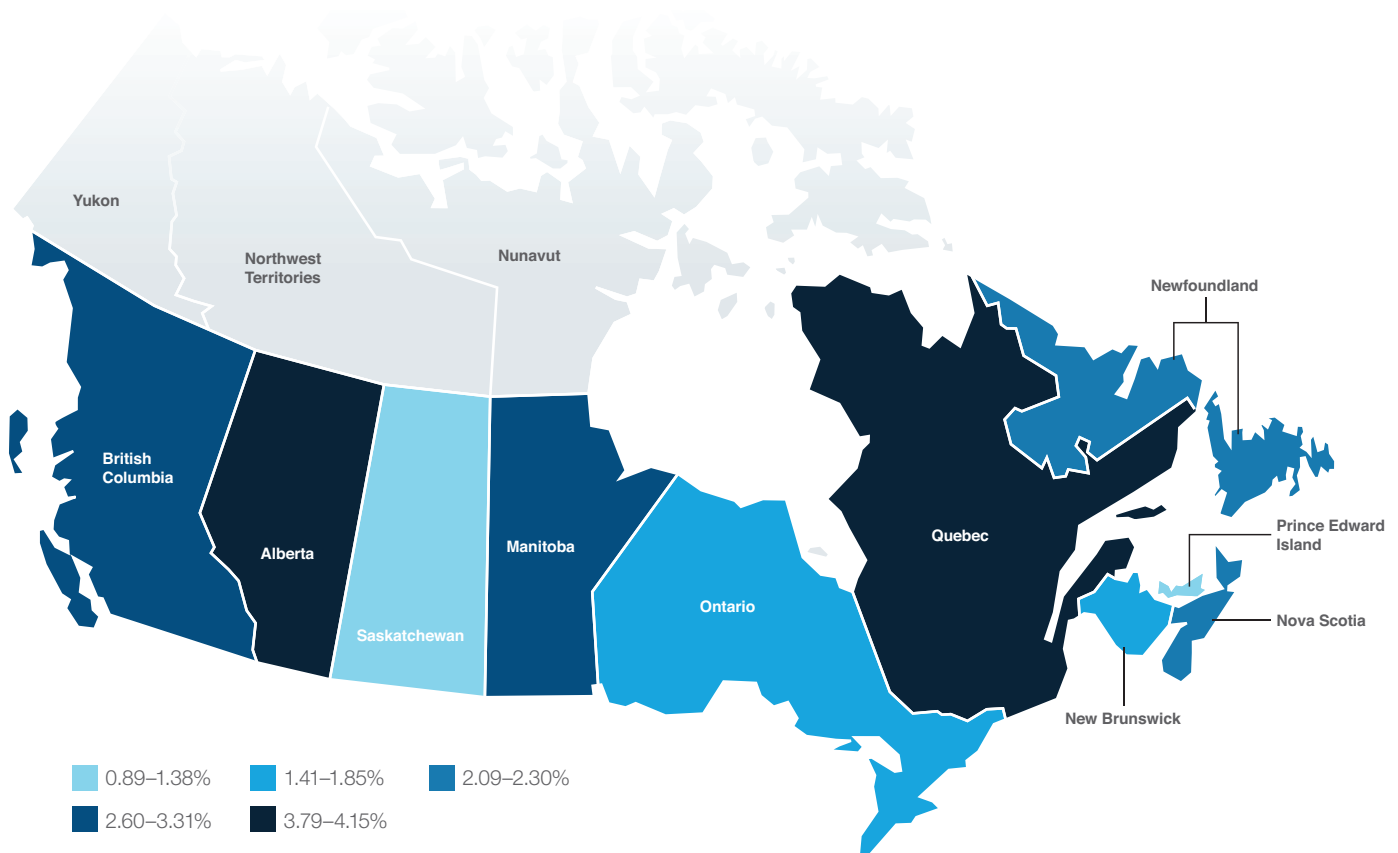


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

# Reconstruction cost growth rate continues increasing trend

Total reconstruction costs, including materials and retail labour, increased 2.4% from July 2019 to July 2020.\* This is up from the 2.1% increase from April 2019 to April 2020 and continues the reversal of a pattern of slowing cost growth seen in 2019. During the second quarter of 2020 (April through June), reconstruction costs grew very little at 0.7%.

All provinces experienced cost increases. Quebec and Alberta had the highest growth rates at 4.2% and 3.8%, respectively. Prince Edward Island had the lowest increase at 0.9%, followed by Saskatchewan, at 1.4%.



Changes in reconstruction costs by province.

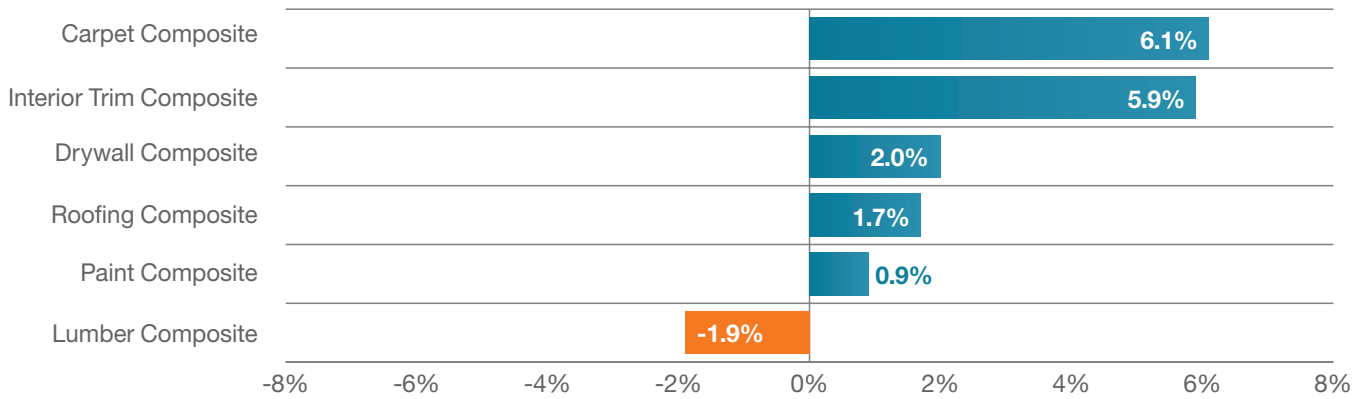
Provinces are grouped in quintiles; each range/colour in the legend includes 20 per cent of the total number of provinces.

\*All rates, percentages, increases, decreases, etc., are calculated as percentage change from July 2019 to July 2020, unless otherwise noted.

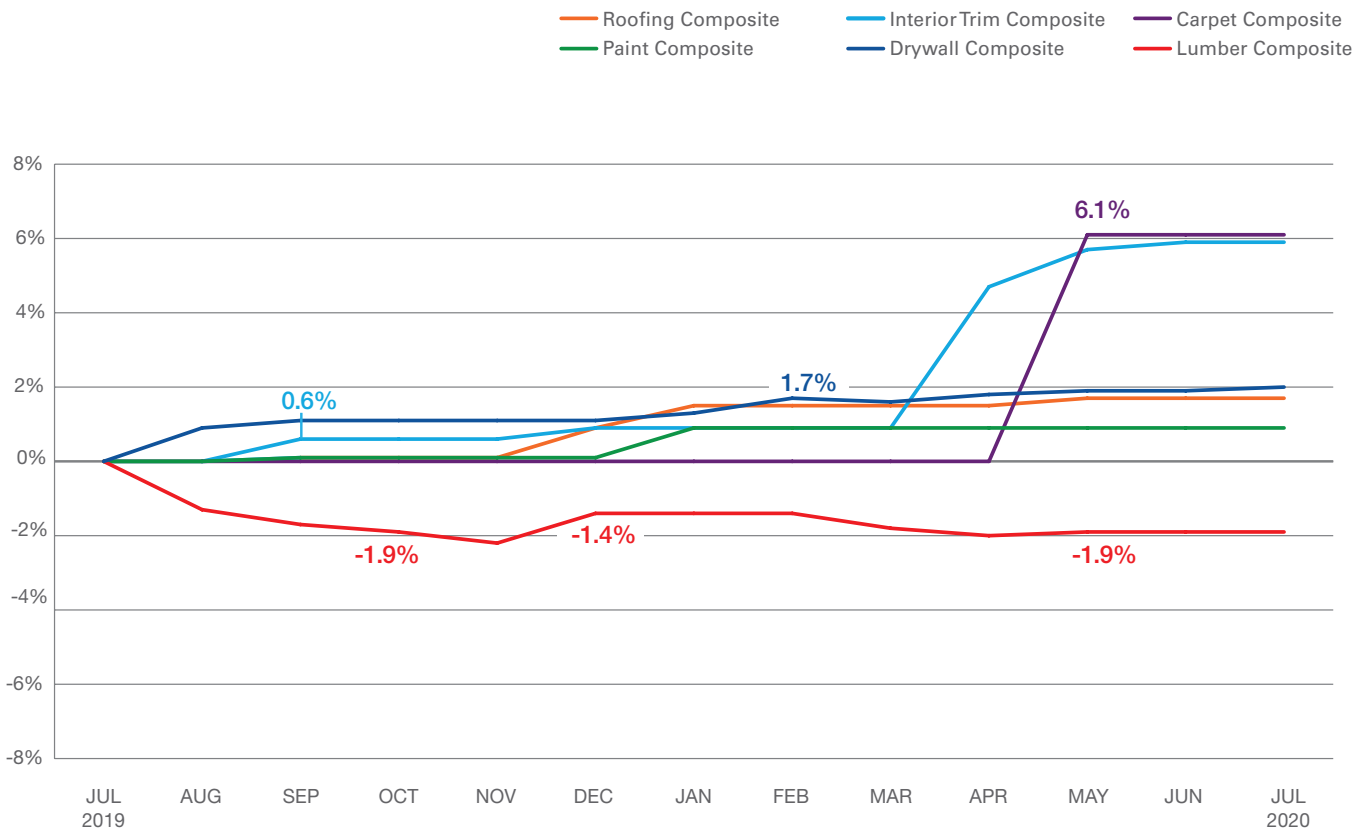
### Material Cost Analysis

Total material costs increased by 0.5% from July 2019. Lumber remained the lowest category, with costs declining by 1.9%. Carpet and interior trim increased the most at 6.1% and 5.9%, respectively. Drywall composite increased 2.0%, roofing composite increased 1.7%, and paint composite increased by 0.9%.

Percentage change in costs



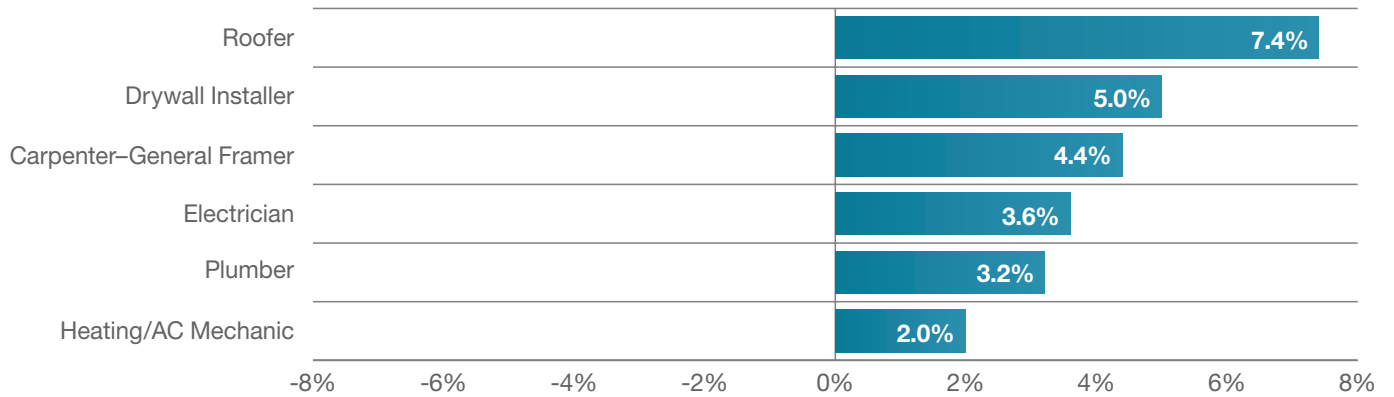
Percentage change in costs by month



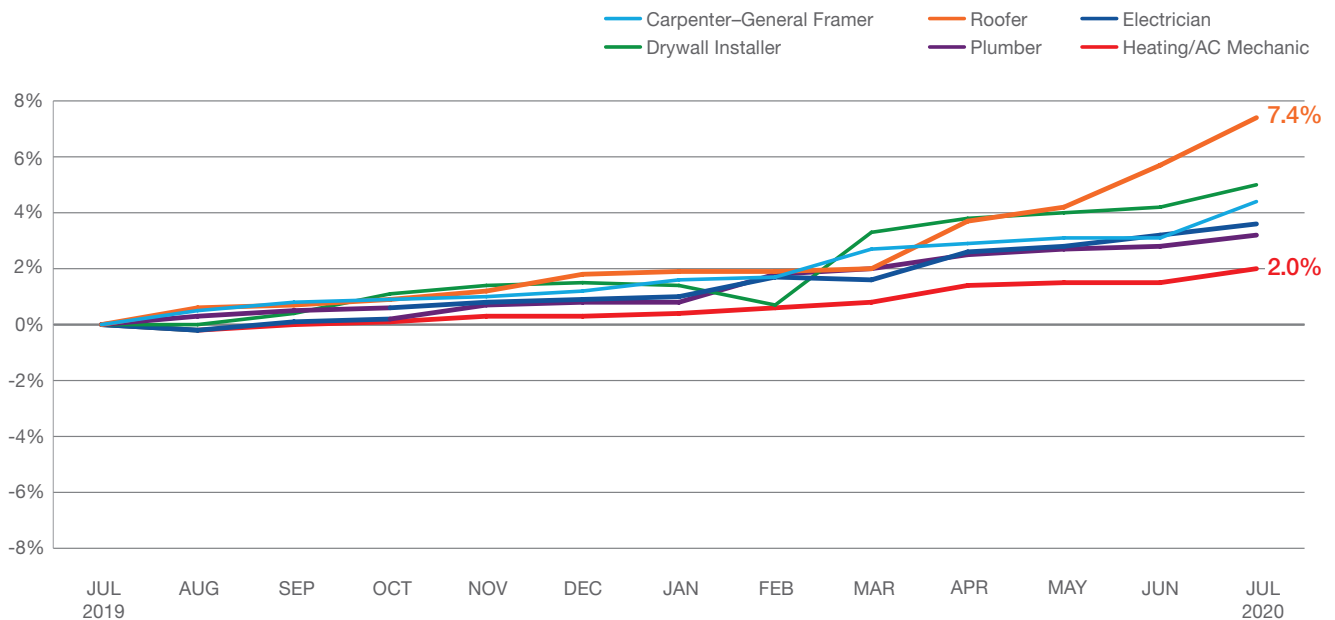
### Labour Cost Analysis

Total labour costs increased 5.5% from July 2019, up from 5.0% in the previous period. Cost increases for all six major labour trades grew steadily. Of note, roofer costs grew the most at 7.4%, with big increases in April 2020 and June 2020. Increases for all other labour trades ranged from approximately 2.0% to 5.0%.

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 labour 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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