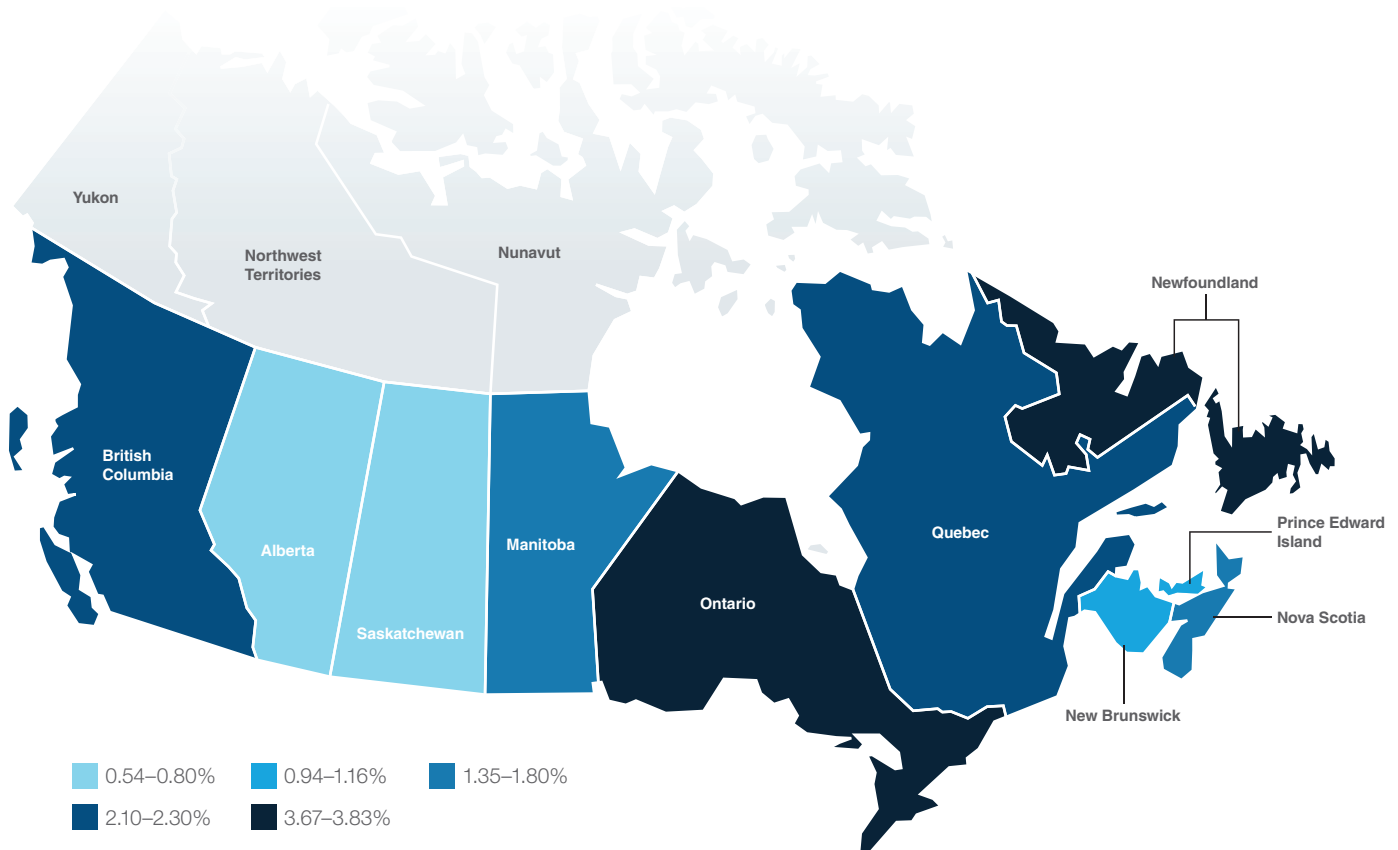


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost growth rate continues to decline

Total reconstruction costs, including materials and retail labour, increased just 1.9 per cent from October 2018 to October 2019,* continuing the pattern of slowing cost growth. The decline began when costs grew 3.6 per cent from January 2018 to January 2019, following steady 3.9 per cent growth. During the third quarter of 2019 (July through September), reconstruction costs grew very little, at 0.2 per cent.

All provinces experienced cost increases. Ontario and Newfoundland continued to have the highest growth rates, at 3.8 per cent and 3.7 per cent, respectively. Saskatchewan once again had the lowest increase, at 0.5 per cent, followed by Alberta, at 0.8 per cent.



Changes in reconstruction costs by province.

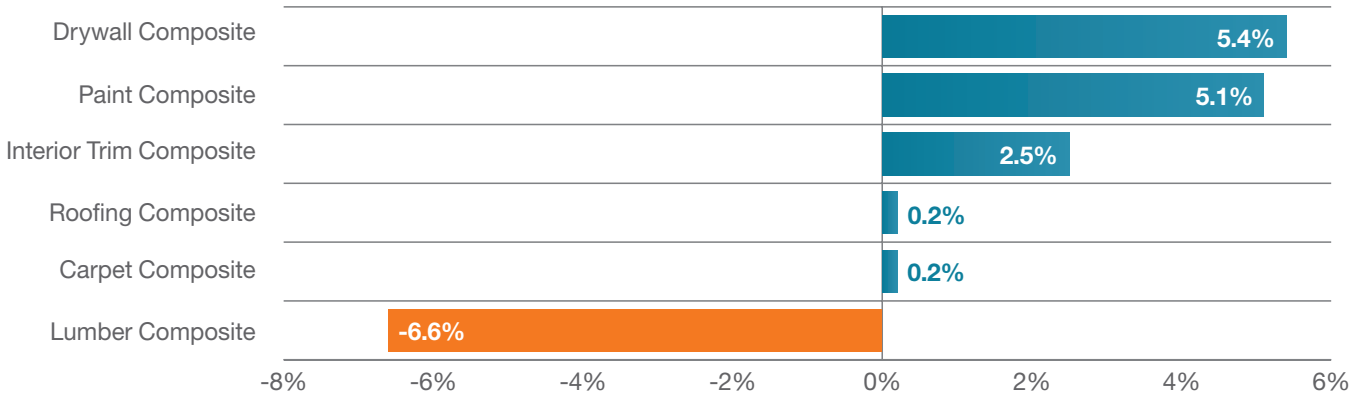
Provinces are grouped in quintiles; each range/color in the legend includes 20 per cent of the total number of provinces.

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

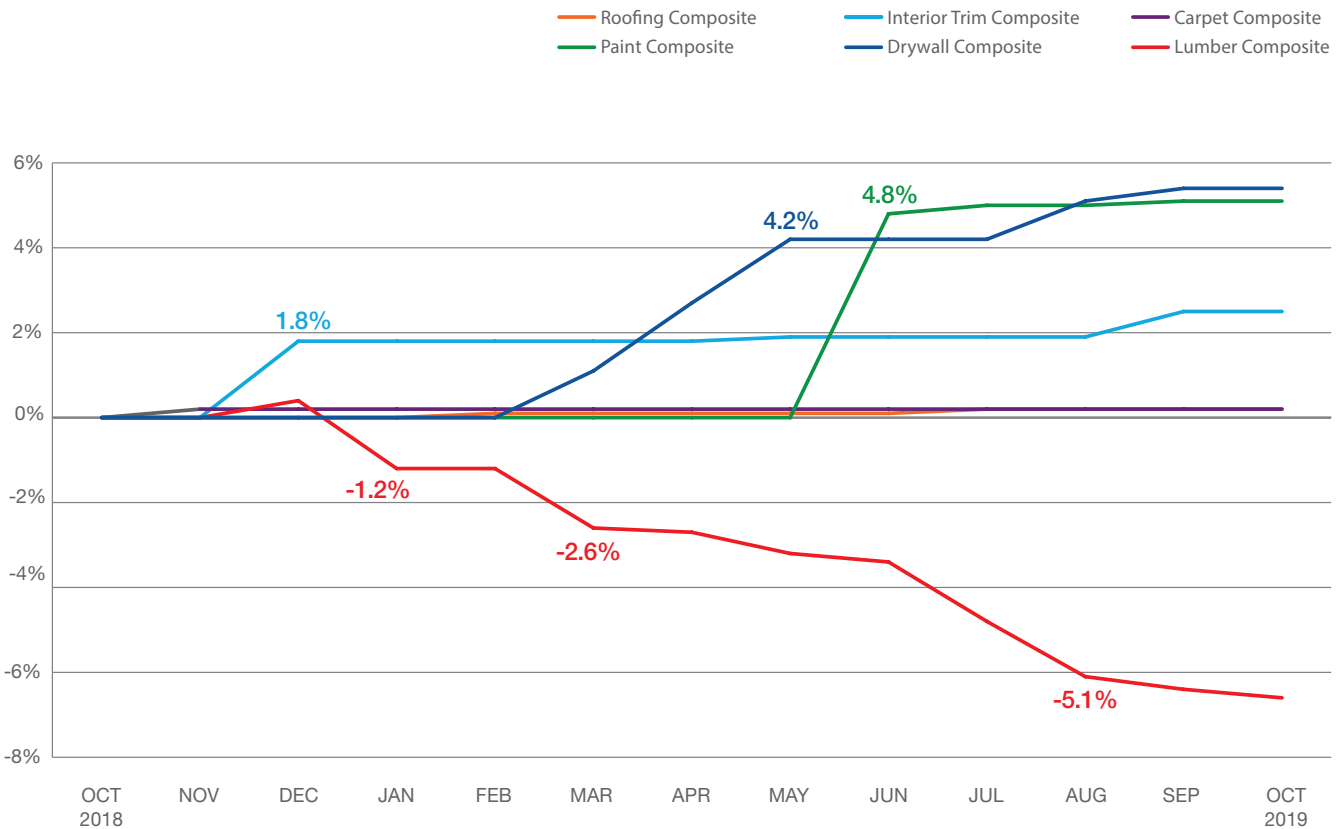
Material Cost Analysis

Total material costs showed no change. Lumber remained the lowest category, with costs declining to negative 6.6 per cent. Drywall increased greatly in April and May due to higher costs for gypsum board. Paint increased sharply in June as a result of costs for paint/varnish stripper and oil-based stain. Interior trim increased in December due to costs of interior doors and wood doorjambes. Roofing and carpet composites showed little increase, at 0.2 per cent each.

Percentage change in costs



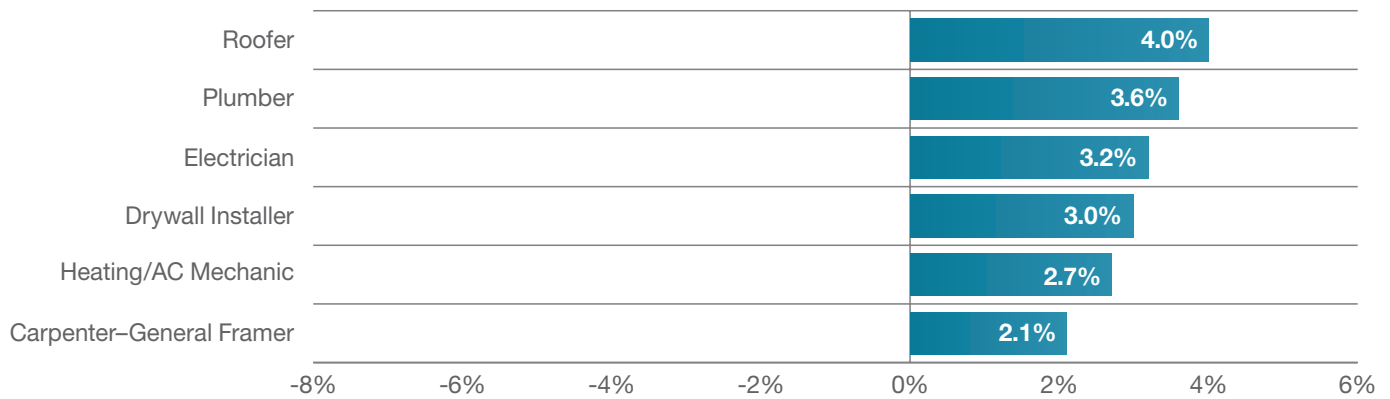
Percentage change in costs by month



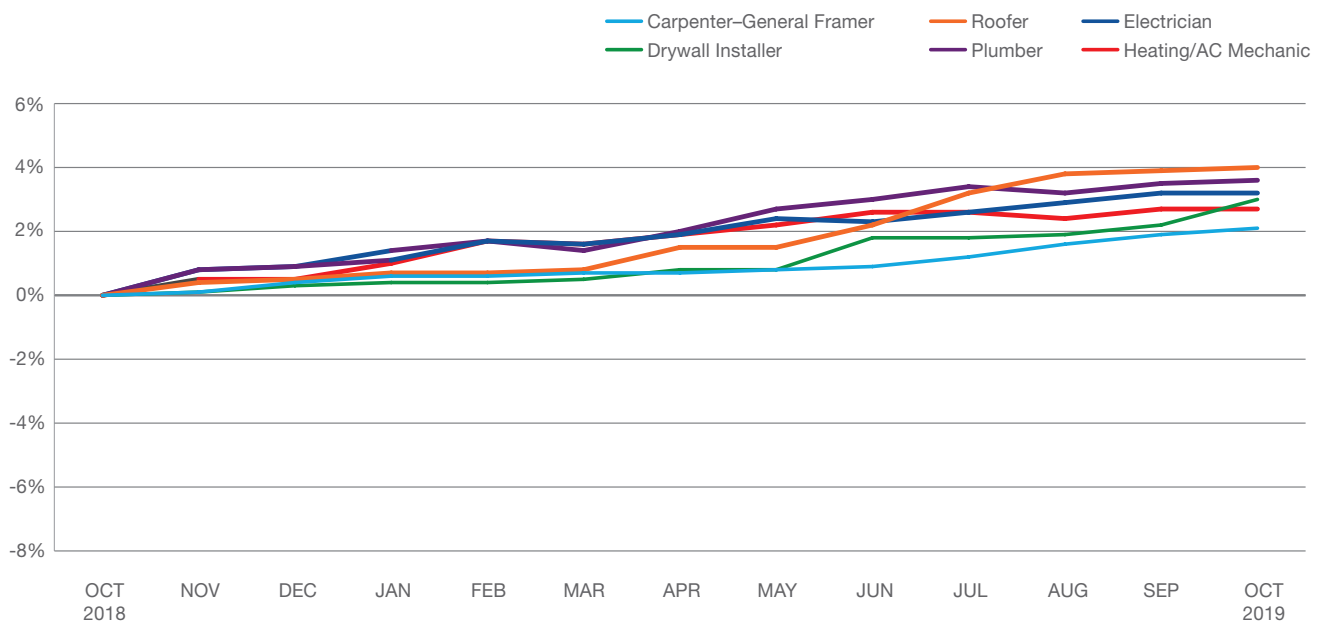
Labour Cost Analysis

Total labour costs increased 3.6 per cent from October 2018, consistent with the 3.5 and 3.6 per cent growth in the previous two periods. Cost increases for all six major labour trades grew steadily. Of note, roofer costs grew the most, at 4.0 per cent, with big increases in June, July, and August. Plumber costs were not far behind, at 3.6 per cent total cost growth. All other labour trades grew approximately 2.0 to 3.0 per cent 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 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.

 1-800-444-4554, option 3

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