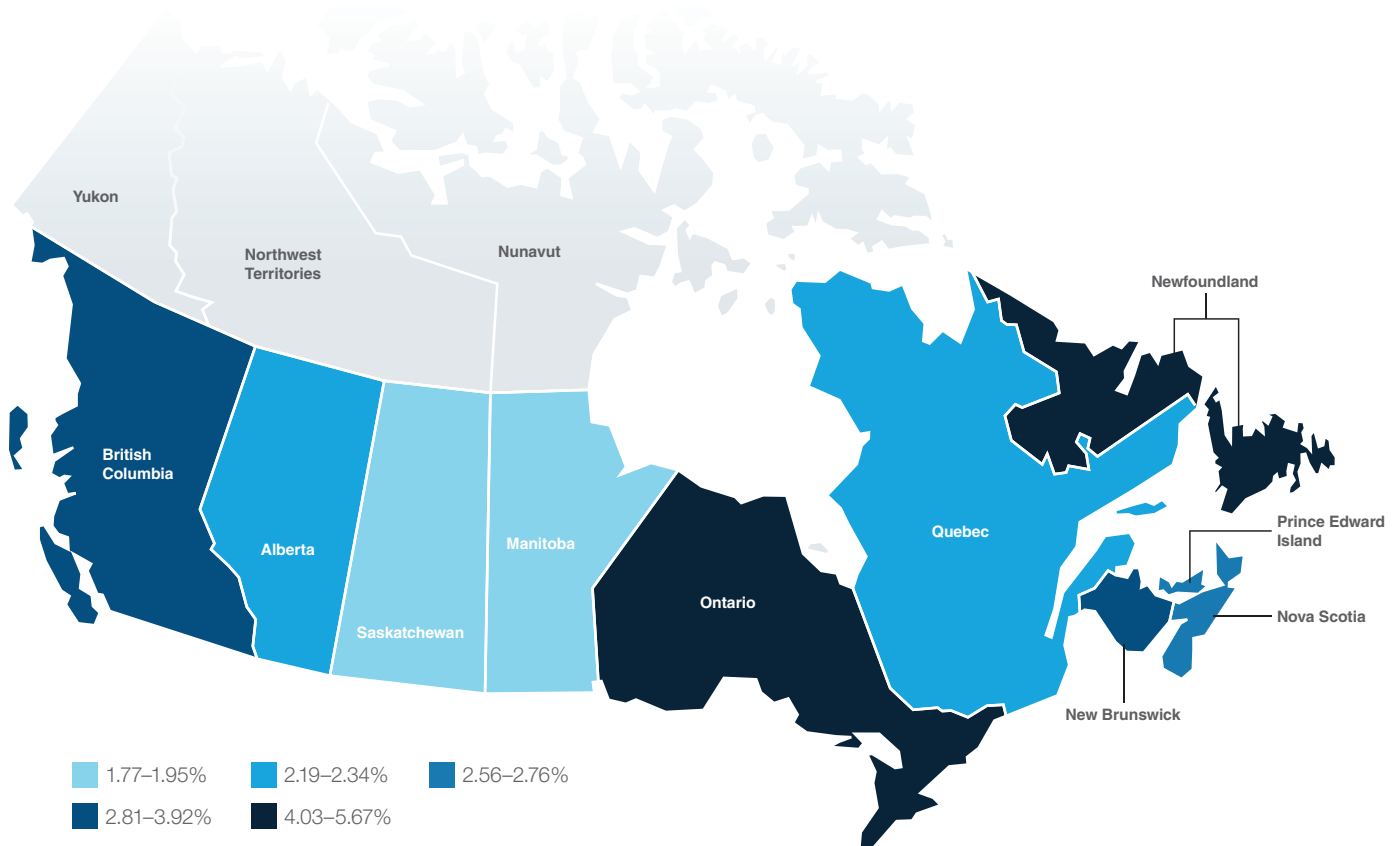


This report provides reconstruction cost trends at the national and provincial levels. *360Value® Quarterly Cost Updates* are derived from building cost research conducted by industry leader Xactware.

Reconstruction cost increases show signs of slowing

Total reconstruction costs, including materials and retail labour, increased 3.0 per cent from April 2018 to April 2019, revealing a slight downward trend in growth rates in recent quarters. During the first quarter of 2019 (January through March), reconstruction costs were up by very little: 0.8 per cent.

All provinces experienced cost increases. Ontario, Newfoundland, and British Columbia made up the top three (5.7 per cent, 4.0 per cent, and 4.0 per cent, respectively). Saskatchewan and Manitoba showed the smallest increases (at 1.8 per cent and 2.0 per cent, respectively).



Changes in reconstruction costs by province.

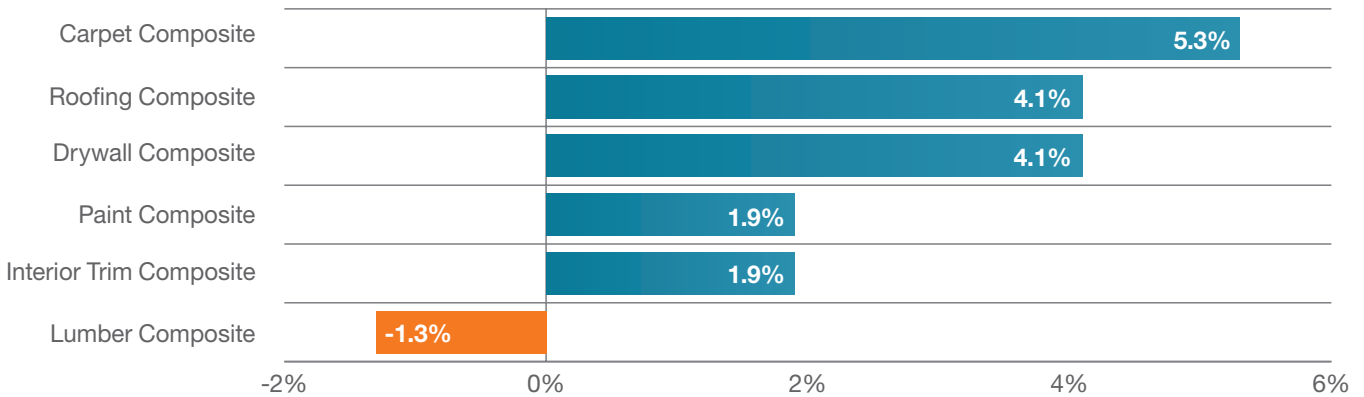
Provinces are grouped in quintiles; each range/color in the legend includes 20 per cent of the total number of provinces.

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

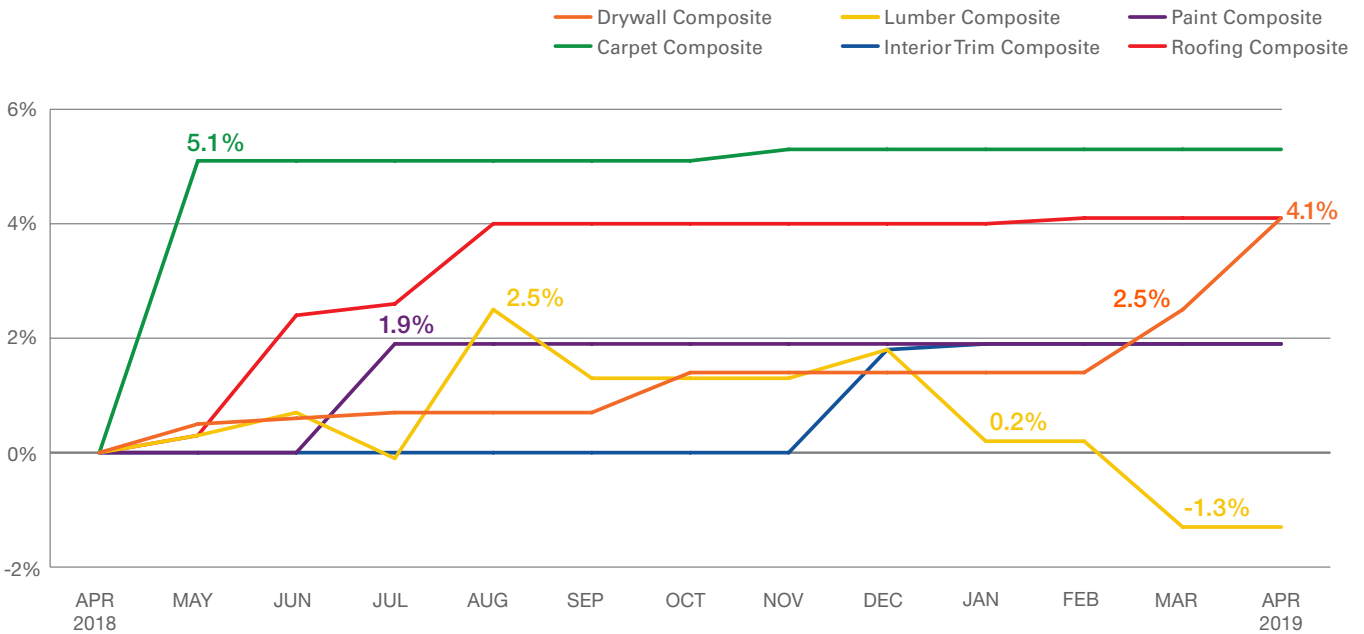
Material Cost Analysis

Total material costs rose 2.8 per cent since April 2018, showing early signs of a decelerating trend in growth rates. Lumber costs dropped to the lowest category, moving into negative cost changes after increases peaked in August 2018. The carpet composite increased the most since April 2018, with a large jump in May. Roofing and drywall both increased 4.1 per cent, though roofing was mostly steady, while drywall saw big increases in March and April 2019. Paint and interior trim each increased 1.9 per cent.

Percentage change in costs



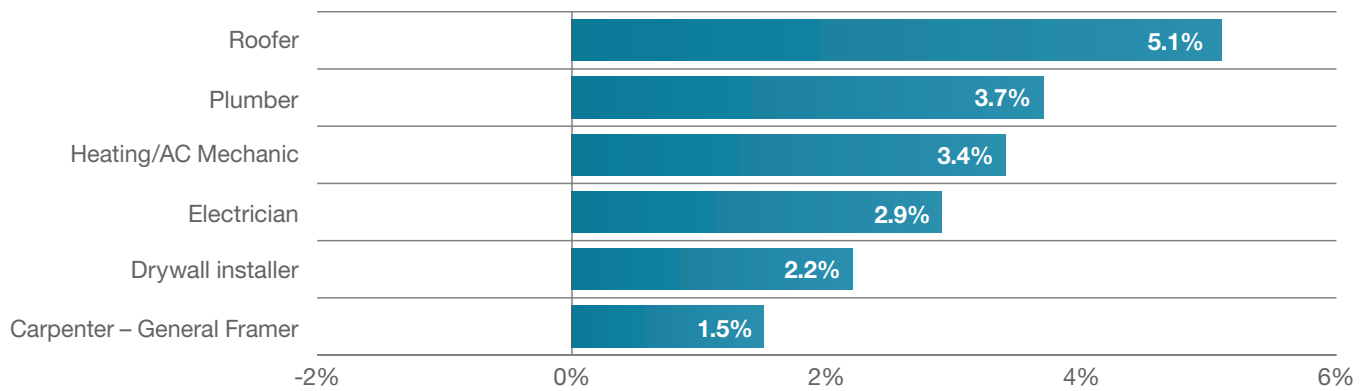
Percentage change in costs by month



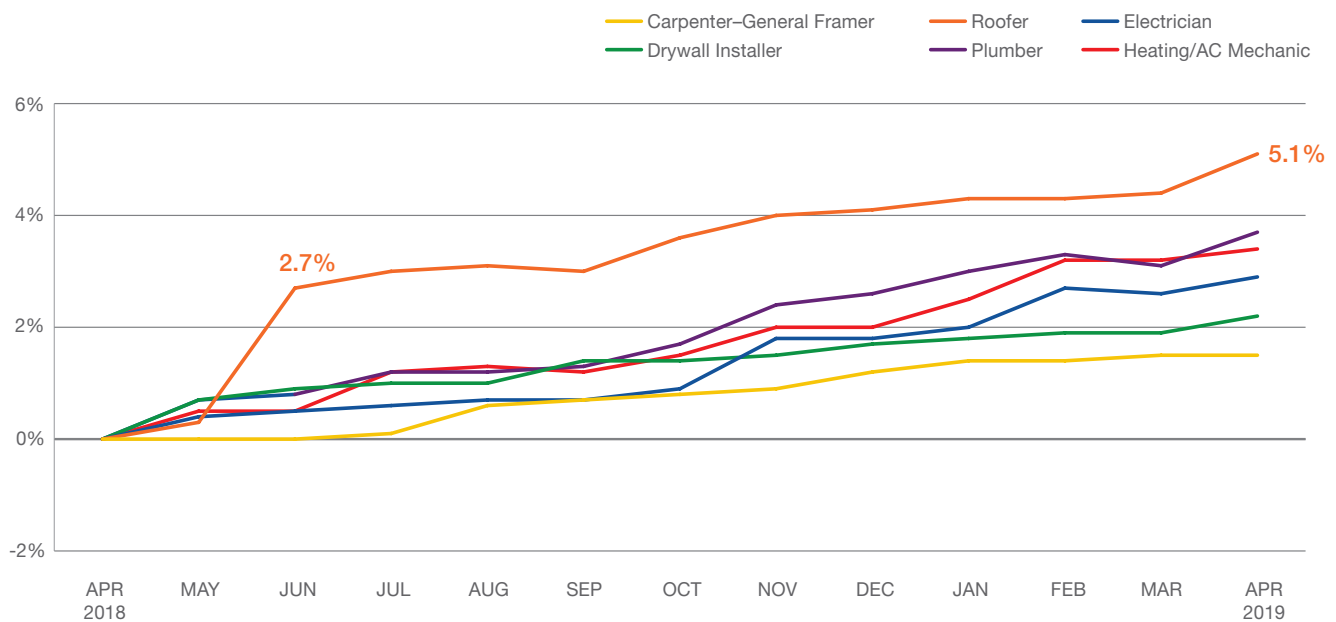
Labour Cost Analysis

Total labour costs increased 3.6 per cent since April 2018, a slower rate than the 4.3 per cent seen in the first quarter of 2019. Generally, cost increases for all six major labour trades grew steadily. Of note, roofer costs saw a big increase in June before becoming steadier, resulting in the highest cost change for the quarter, at 5.1 per cent.

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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