

2022 REPORT

Residential + Commercial Reconstruction Cost Analysis



Study of square foot valuations — comparing 2020 and 2022

Hausch
& COMPANY

ABOUT OUR STUDY

Hausch & Company conducted this study with Xactimate Valuation tool to analyze reconstruction costs of residential and commercial properties — comparing April 2020 to April 2022. The study used actual claim files processed from 26 states and updated the valuation using 2022 pricing (see [appendix](#) for table).

Our findings indicate that costs for rebuilding have remained inflated since the start of the pandemic. On average, residential properties had almost a 20% increase in reconstruction costs over the past two years, and commercial properties had a 15% increase.

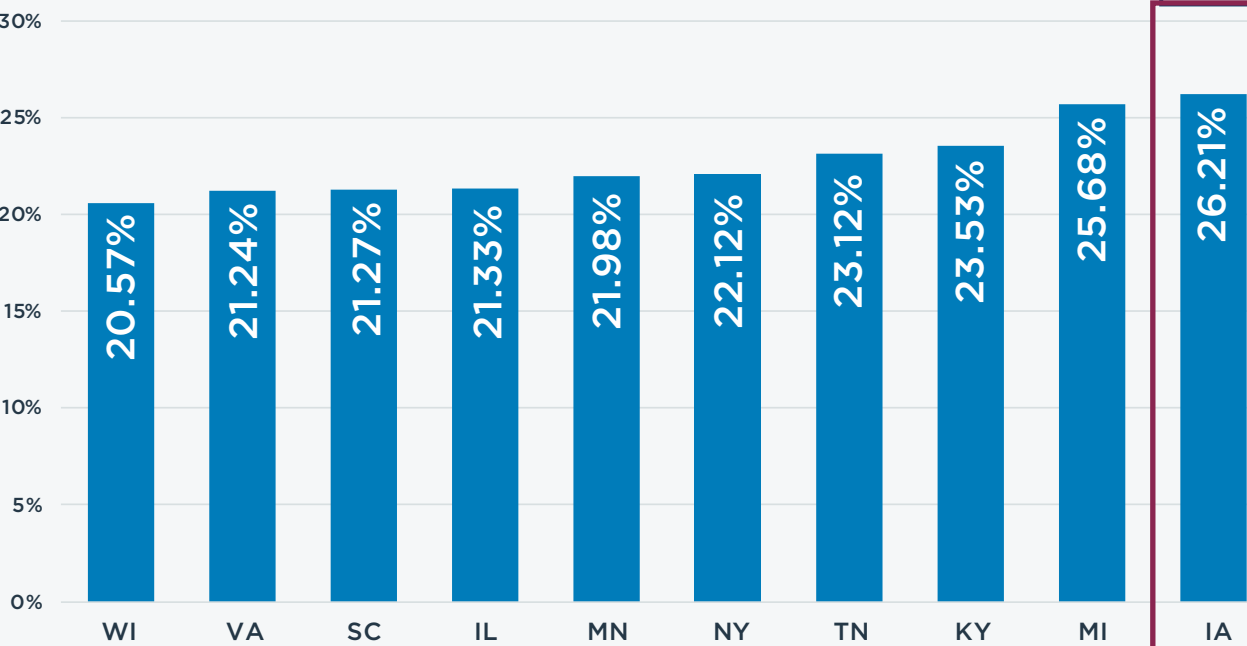


KEY FINDINGS

- Reconstruction costs increased in all 26 states, with the highest for residential properties in Iowa (26%) and commercial properties in Oklahoma (20%).
- Lumber continues to be a primary driver in rising reconstruction costs, with rough framing having the most significant increase — averaging 41% for residential properties.
- Rough framing for homes was the highest reconstruction cost increase for all 26 states.
- Window replacement comes in second with a 17% increase, followed by a 15% increase in cost for exterior finishes and roofing of residential properties.



TOP 10 STATES WITH THE HIGHEST % CHANGE IN RECONSTRUCTION COSTS FOR **RESIDENTIAL** PROPERTIES

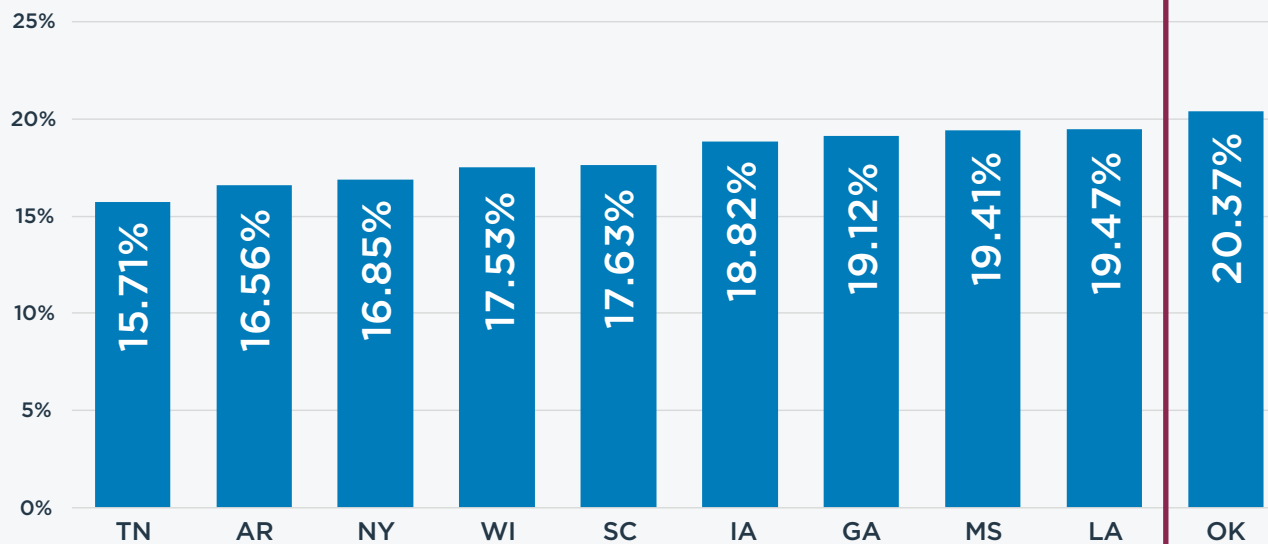


Construction Type	April 2022 \$	April 2020 \$	% Change
Rough Framing	\$55,347.82	\$27,806.24	49.76%
Electrical	\$10,689.95	\$8,305.77	22.30%
Exterior Finishing	\$25,146.38	\$19,728.30	21.55%
Windows	\$1,543.04	\$1,290.40	16.37%
Roofing	\$8,140.55	\$6,971.25	14.36%
Interior Finishes	\$40,390.67	\$34,637.07	14.24%
Plumbing	\$7,603.89	\$6,814.54	10.38%



Residential homes in Iowa had a 26% increase in reconstruction costs over the two-year study, with rough framing having the most significant cost change at almost 50% — the highest of all states in the study.

TOP 10 STATES WITH THE HIGHEST % CHANGE IN RECONSTRUCTION COSTS FOR **COMMERCIAL** PROPERTIES

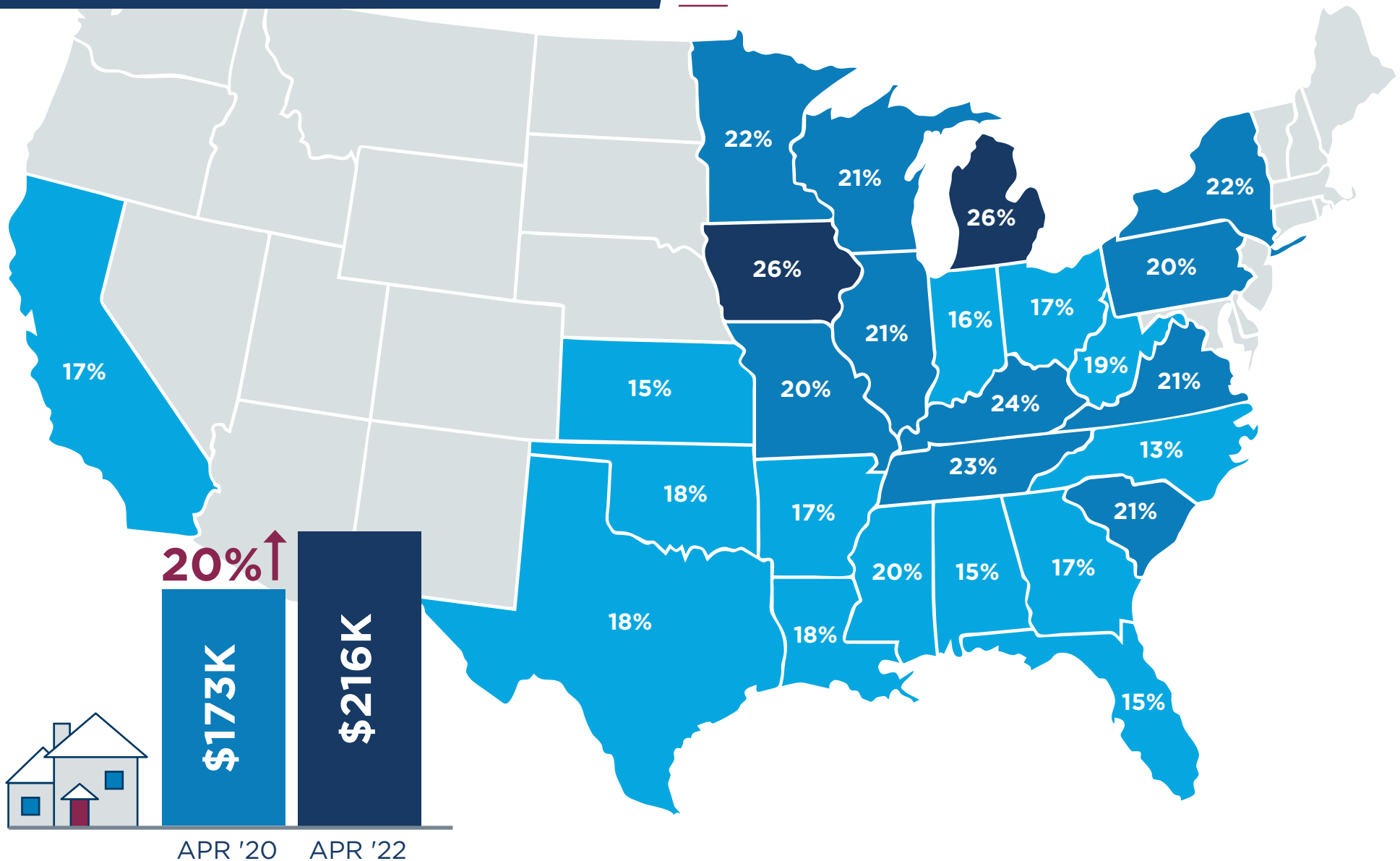


Construction Type	April 2022 \$	April 2020 \$	% Change
Structure	\$77,163.64	\$47,327.16	38.67%
Plumbing	\$44,040.97	\$35,135.59	20.22%
Exterior Finishing	\$61,773.65	\$49,298.99	20.19%
Electrical	\$29,175.04	\$24,155.11	17.21%
General Conditions	\$26,193.50	\$22,317.33	14.80%
Heating/AC	\$48,964.26	\$42,624.88	12.95%
Roofing	\$14,710.60	\$13,086.05	11.04%

Commercial properties in Oklahoma had a 20% increase in reconstruction costs over the two-year study, with structure costs having the most significant change — near 40%.

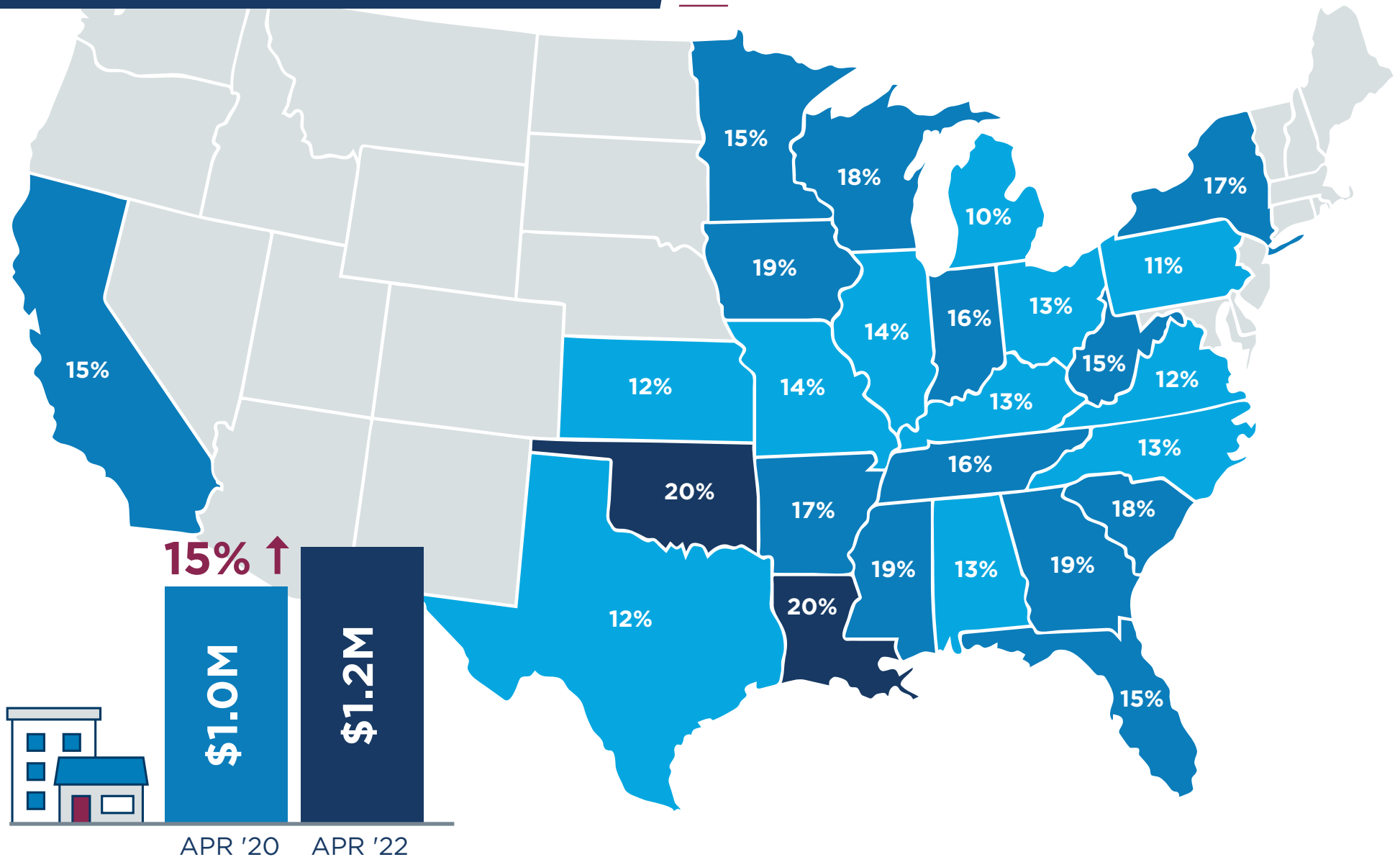
OVERVIEW OF % CHANGE IN RECONSTRUCTION COSTS FOR **RESIDENTIAL** PROPERTIES

The 26 states in the study averaged almost a 20% increase for reconstruction costs for residential properties from April 2020 to April 2022.



OVERVIEW OF % CHANGE IN RECONSTRUCTION COSTS FOR COMMERCIAL PROPERTIES

The 26 states in the study averaged just over a 15% increase for reconstruction costs for commercial properties from April 2020 to April 2022.



APPENDIX



Residential Property Comparison by State

State	April 2022	April 2020	% Change
NC	\$276,391.55	\$240,266.87	13.07%
FL	\$237,964.97	\$196,182.19	14.97%
KS	\$156,118.88	\$132,214.83	15.31%
AL	\$183,607.46	\$155,467.21	15.33%
IN	\$184,831.24	\$155,202.00	16.03%
GA	\$211,196.68	\$175,524.84	16.89%
CA	\$184,831.24	\$155,202.00	17.05%
OH	\$183,607.46	\$155,467.21	17.30%
AR	\$178,653.03	\$147,514.59	17.44%
LA	\$211,196.68	\$175,524.84	18.16%
OK	\$184,831.24	\$155,202.00	18.28%
TX	\$140,833.84	\$115,027.10	18.32%
WV	\$291,931.23	\$237,315.98	18.71%
MO	\$211,196.68	\$175,524.84	19.81%
PA	\$184,831.24	\$155,202.00	20.14%
MS	\$433,547.03	\$346,046.78	20.18%
WI	\$176,063.71	\$139,845.33	20.57%
VA	\$224,782.27	\$177,044.57	21.24%
SC	\$169,683.55	\$133,595.61	21.27%
IL	\$160,127.81	\$125,974.92	21.33%
MN	\$168,620.76	\$131,553.66	21.98%
NY	\$146,512.74	\$114,100.03	22.12%
TN	\$215,362.35	\$165,573.19	23.12%
KY	\$151,671.88	\$115,984.91	23.53%
MI	\$538,004.62	\$399,860.71	25.68%
IA	\$167,964.43	\$123,935.46	26.21%
Average	\$215,575.94	\$172,713.25	19.39%

*NOTE:

The data in this report was created using valuations completed in 2020 and updated in 2022 to make a comparison. Replacement costs vary dramatically by area. The specific information provided is not intended to be used as general information for underwriting, coverage, or rating decisions.

APPENDIX



Commercial Property Comparison by State

State	April 2022	April 2020	% Change
MI	\$619,650.97	\$558,568.78	9.86%
PA	\$368,212.06	\$326,733.53	11.26%
TX	\$2,031,901.64	\$1,792,617.90	11.78%
VA	\$1,784,559.78	\$1,570,113.77	12.02%
KS	\$286,364.80	\$251,431.95	12.20%
NC	\$276,391.55	\$240,266.87	12.84%
AL	\$1,374,184.92	\$1,194,736.28	13.06%
KY	\$151,671.88	\$115,984.91	13.32%
OH	\$392,669.19	\$340,269.39	13.34%
MO	\$727,127.04	\$624,975.12	14.05%
IL	\$858,757.57	\$737,110.75	14.17%
FL	\$744,293.77	\$635,031.68	14.68%
MN	\$1,320,303.33	\$1,119,638.76	15.20%
WV	\$2,239,901.17	\$1,894,182.23	15.43%
CA	\$1,242,781.07	\$1,050,919.01	15.44%
IN	\$796,991.90	\$673,262.26	15.52%
TN	\$1,219,454.64	\$1,027,875.82	15.71%
AR	\$524,130.11	\$437,349.93	16.56%
NY	\$674,825.46	\$561,122.63	16.85%
WI	\$2,288,492.74	\$1,887,351.43	17.53%
SC	\$588,841.79	\$485,002.23	17.63%
IA	\$1,207,718.27	\$980,427.11	18.82%
GA	\$963,859.36	\$779,539.02	19.12%
MS	\$2,234,805.30	\$1,801,073.72	19.41%
LA	\$1,366,328.80	\$1,100,370.98	19.47%
OK	\$500,571.33	\$398,584.32	20.37%
Average	\$1,220,568.22	\$1,024,432.93	15.22%

*NOTE:

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1640 Capital Street, Suite 100, Elgin, Illinois 60124