

2023 REPORT

Residential + Commercial
**Reconstruction
Cost Analysis**



Study of square foot valuations — comparing 2022 and 2023

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 2022 to April 2023. The study used actual claim files process from multiple states and updated the valuation using 2023 pricing. 23 states were evaluated for residential properties and 21 states for commercial properties.

Our findings indicate that rough framing costs for residential properties have recovered in all states — averaging almost a 25% decline year-over-year. While rough framing costs have decreased, all other reconstruction costs increased with interior and exterior finishing having the highest increase.

Commercial properties had a 6% average increase year-over-year for reconstruction costs, compared to an 18% increase from 2020 to 2022.

***Data on file. Please email claims@hauschco.com for more information.**

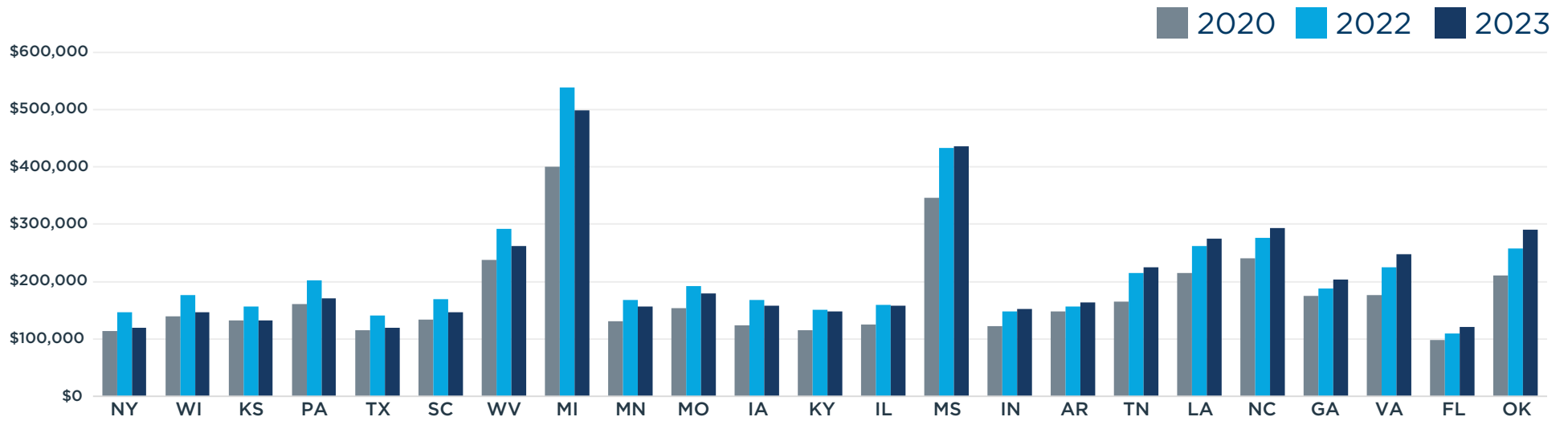


KEY FINDINGS

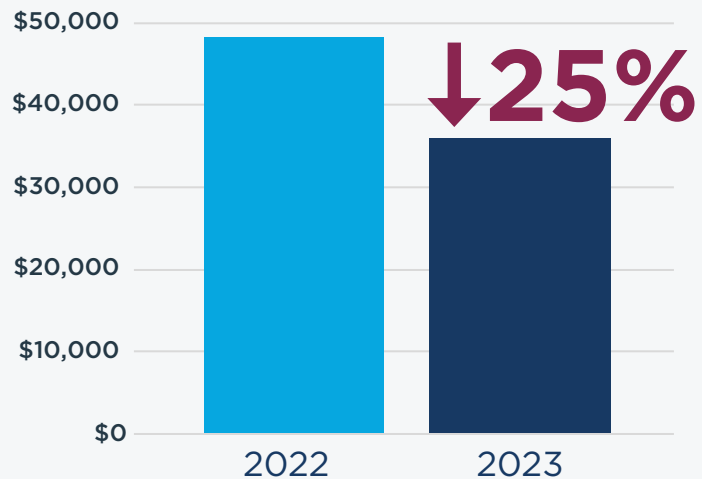
- When comparing to the start of the pandemic, April 2020, reconstruction costs for residential properties increased overall by almost 21%, compared to a 7% increase in 10 of the 23 states from 2022 to 2023.
- Reconstruction costs for commercial properties increased year-over-year in all states within the study — averaging a 6% increase.
- Lumber is no longer driving up the cost for rough framing. All states in the study experienced a significant decline this past year — averaging a 25% decrease for residential properties year-over-year, compared to over a 40% increase from 2020 to 2022.
- All other reconstruction costs increased year-over-year, with the top three being interior finishing (13%), exterior finishing (12%), and electrical (12%).



AVERAGE RECONSTRUCTION COSTS FOR **RESIDENTIAL** PROPERTIES

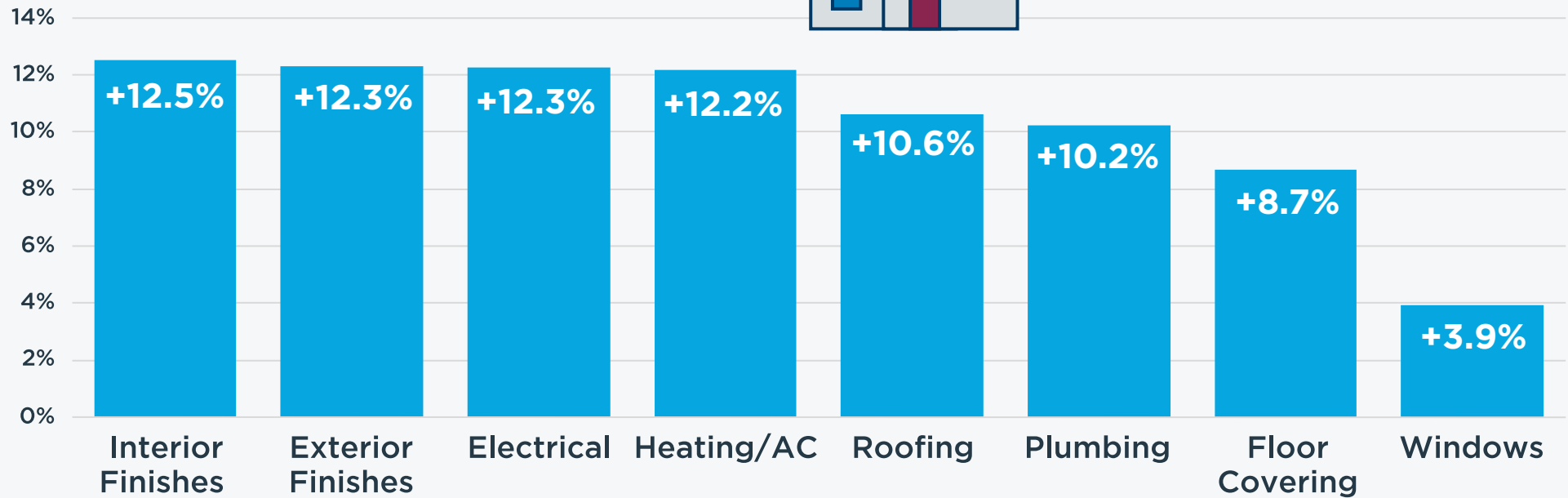


AVERAGE COST OF ROUGH FRAMING FOR RESIDENTIAL PROPERTIES



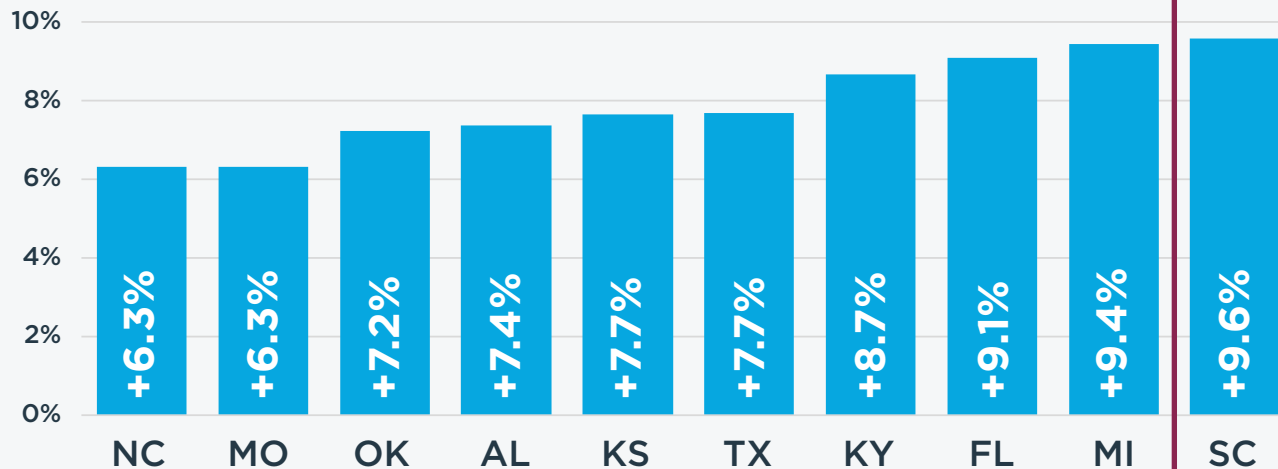
All states in the study experienced an increase in reconstruction costs for residential properties when compared to the start of the pandemic in 2020. The most significant impact this past year on reconstruction costs was rough framing, which was 25% lower year-over-year. **Iowa experienced the largest decrease for rough framing at 35%.**

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



While rough framing costs experienced an average 25% decline year-over-year, all other reconstruction costs increased by an average of 10%.

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



SOUTH CAROLINA RECONSTRUCTION COSTS FOR COMMERCIAL PROPERTIES

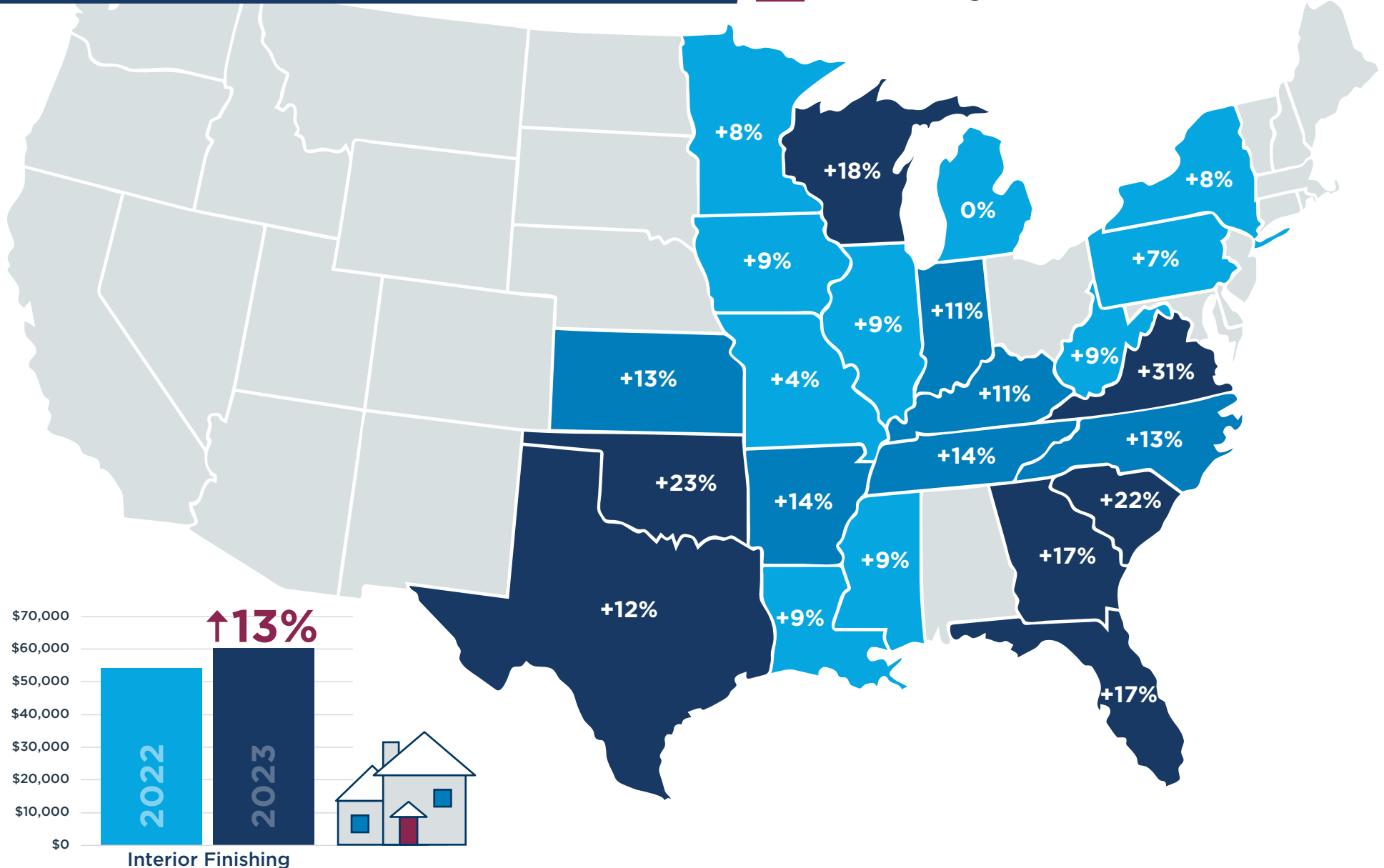
Construction Type	April 2023 \$	April 2022 \$	% Change
Structure	\$148,307.03	\$141,614.37	↑ +4.73%
Exterior Finishing	\$46,179.44	\$43,514.32	↑ +6.12%
Plumbing	\$19,533.29	\$18,029.81	↑ +8.34%
General Conditions	\$70,884.34	\$64,574.13	↑ +9.77%
Electrical	\$65,003.42	\$59,004.30	↑ +10.17%
Roofing	\$88,236.03	\$76,884.11	↑ +14.76%
Interior Finishing	\$40,142.42	\$32,993.59	↑ +21.67%

Commercial properties in the study had a 6% average increase year-over-year in reconstruction costs. South Carolina had the largest increase at almost 10%, with interior finishing having the most significant change — near +22%.



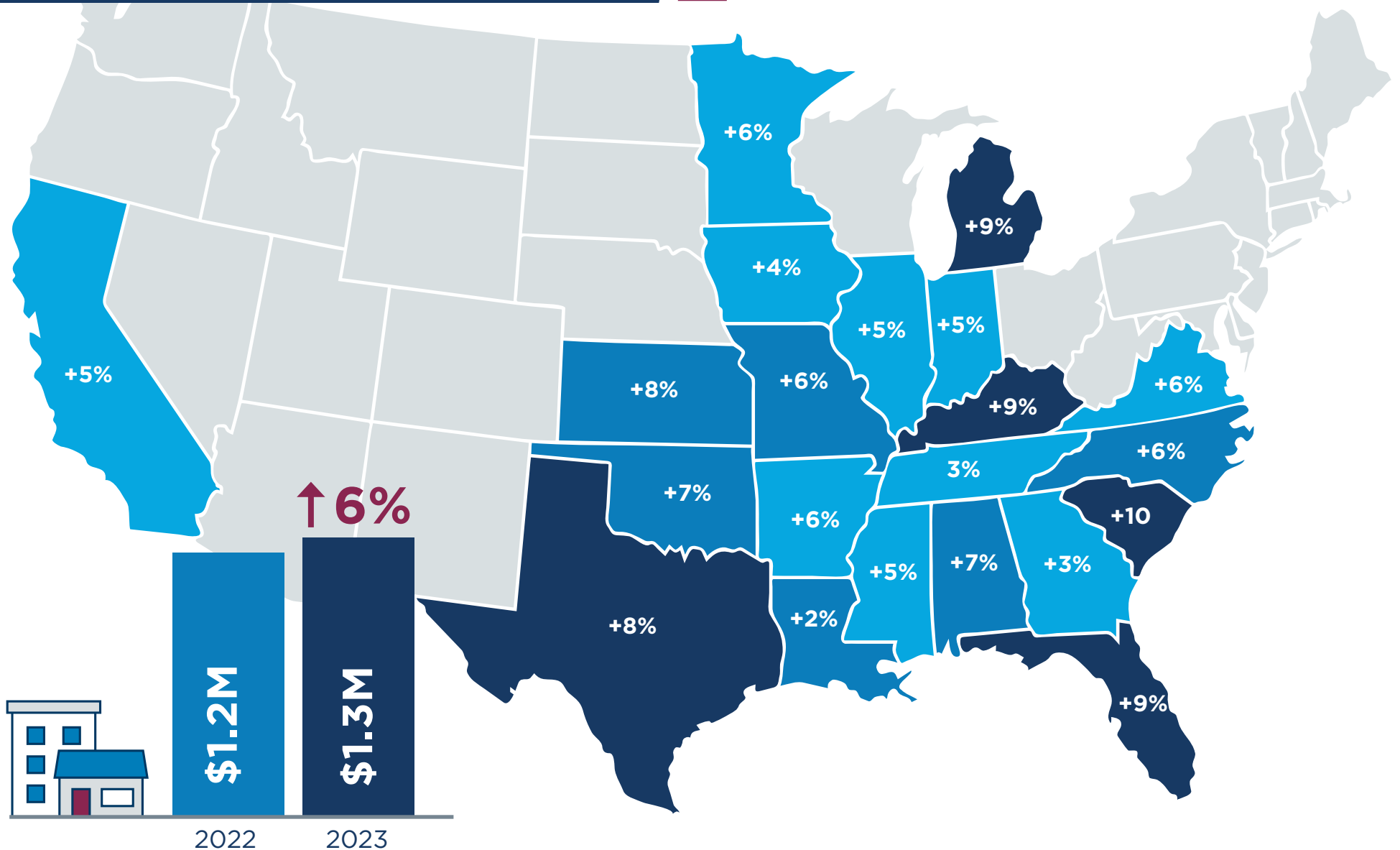
% CHANGE OF INTERIOR FINISHING RECONSTRUCTION COSTS FOR **RESIDENTIAL** PROPERTIES

Residential properties had almost a **13% average increase year-over-year for interior finishing reconstruction costs**, with Virginia having the highest increase (31%) and Michigan having relatively no change from 2022.



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

Commercial properties had an average **6% increase year-over-year** for reconstruction costs, with South Carolina having the highest increase (10%) and Louisiana having the smallest increase (2%).



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