



Quarterly Construction Insights

Q3 2022

CoreLogic Proprietary Information. The information in this presentation may not be copied or distributed without CoreLogic's express written consent. | © 2022 CoreLogic, Inc. All rights reserved. CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

Summary of Q3 2022

Some costs decline, while others continue to increase. Single unit housing and the South dominate permit approvals.

- Costs for lumber and plywood spiked in April '22 and have been in decline ever since, but cost is still elevated.
- PVC pipes, slab doors, asphalt shingles and felt continue to rise in cost.
- The South leads the nation in 2022 for number of building permit approvals, primarily due to Texas and Florida. Most permits have also been for single unit housing.



CoreLogic[®]

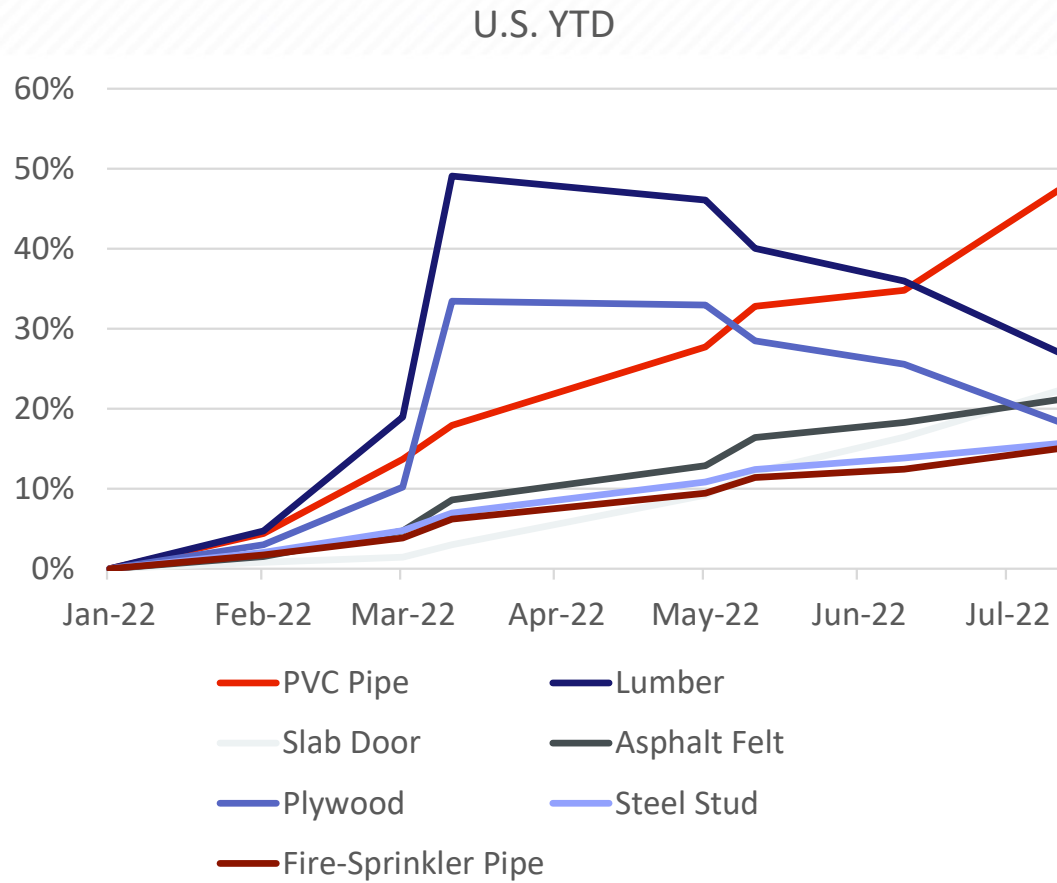
Find. Buy. Protect.



CoreLogic Proprietary Information. The information in this presentation may not be copied or distributed without CoreLogic's express written consent. | © 2022 CoreLogic, Inc. All rights reserved. CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

YTD Changes in Individual Material Costs (U.S.)

Costs for many individual materials have increased as inflation continues to have an impact on construction. In the U.S., we have seen the cost for PVC pipe sharply increase, up 47% since January.



| Material (U.S.) | Change from January '22 to August '22 |
|---------------------|---------------------------------------|
| PVC Pipe | +47% |
| Lumber | +27% |
| Slab Door | +22% |
| Asphalt Felt | +21% |
| Plywood | +18% |
| Steel Stud | +16% |
| Fire-Sprinkler Pipe | +15% |

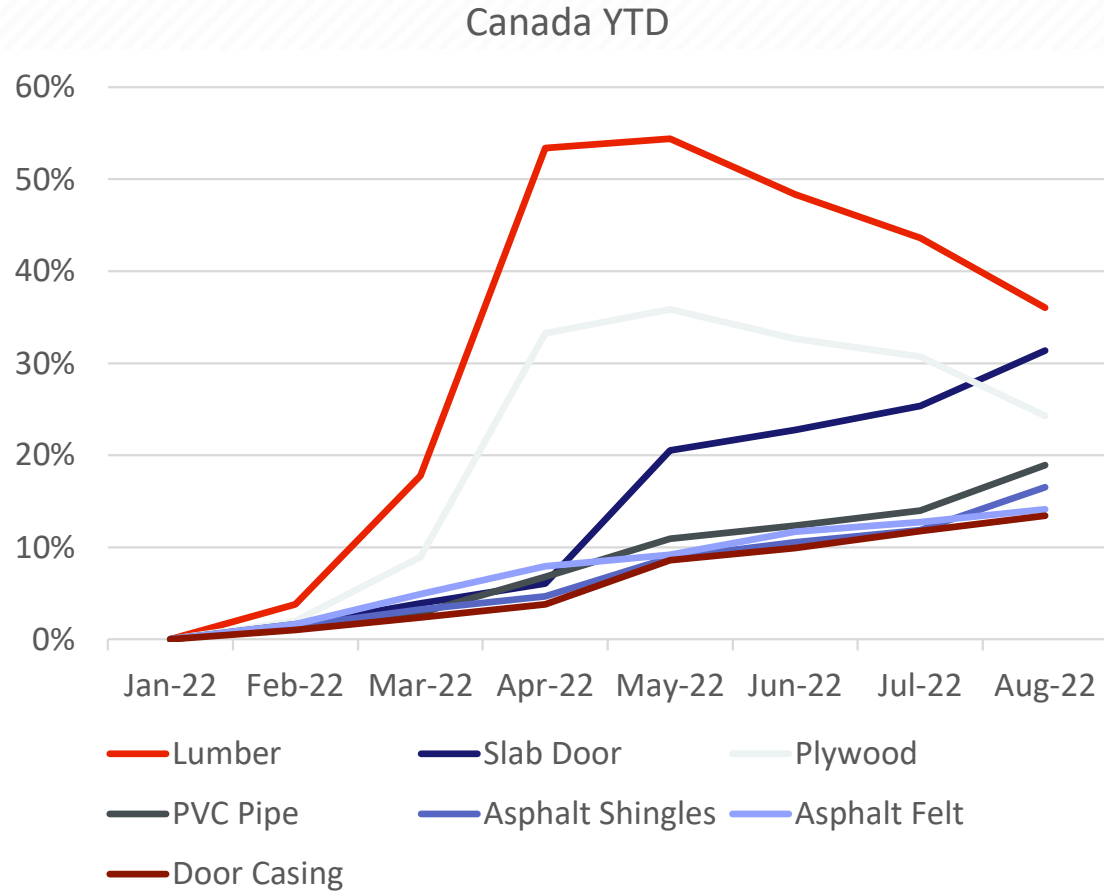


Source: CoreLogic

CoreLogic Proprietary Information. The information in this presentation may not be copied or distributed without CoreLogic's express written consent. | © 2022 CoreLogic, Inc. All rights reserved. CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

YTD Changes in Individual Material Costs (Canada)

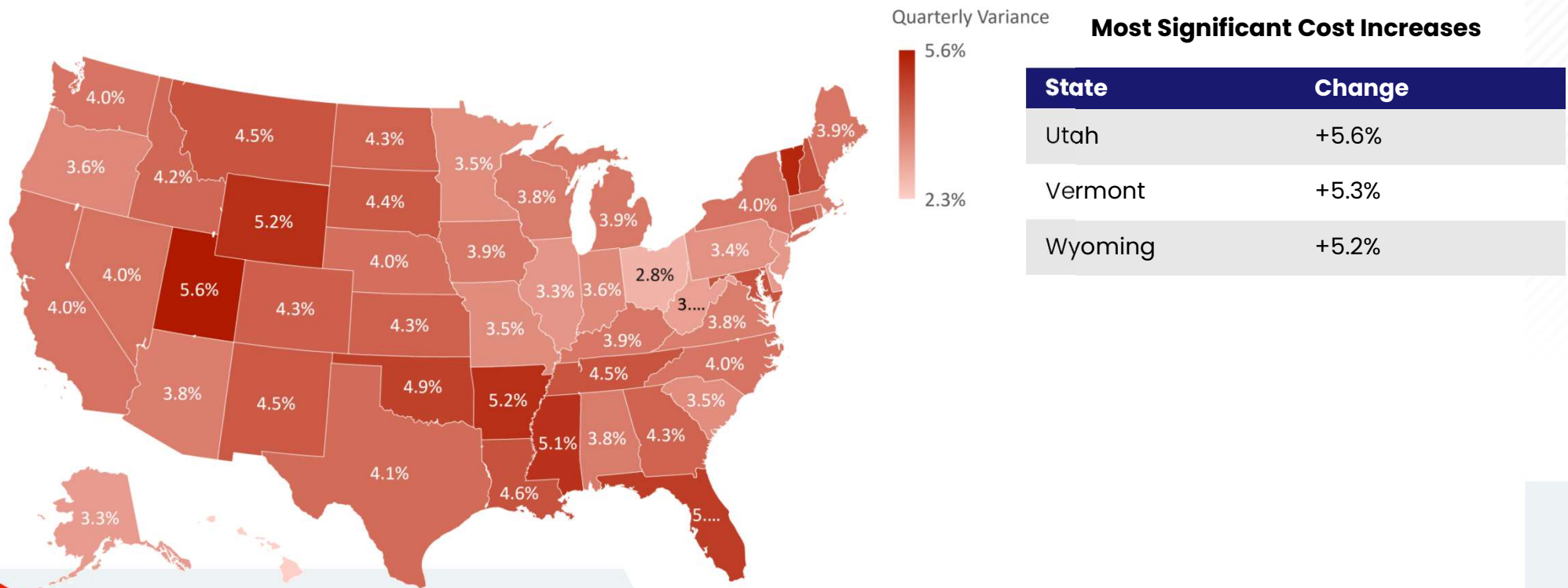
Canada is also seeing cost increases due to inflation, with lumber and plywood seeing cost increases of 36% and 24%, respectively. Slab doors have also risen by 31%.



| Material (CAN) | Change from January '22 to August '22 |
|------------------|---------------------------------------|
| Lumber | +36% |
| Slab Door | +31% |
| Plywood | +24% |
| PVC Pipe | +19% |
| Asphalt Shingles | +17% |
| Asphalt Felt | +14% |
| Door Casing | +13% |

Q2 2022 to Q3 2022 Change in Residential Reconstruction Cost — United States

Changes in costs for materials impacts the final residential reconstruction cost of a property. The average state increase in residential reconstruction cost from 2Q22 to 3Q22 was 4.1%.

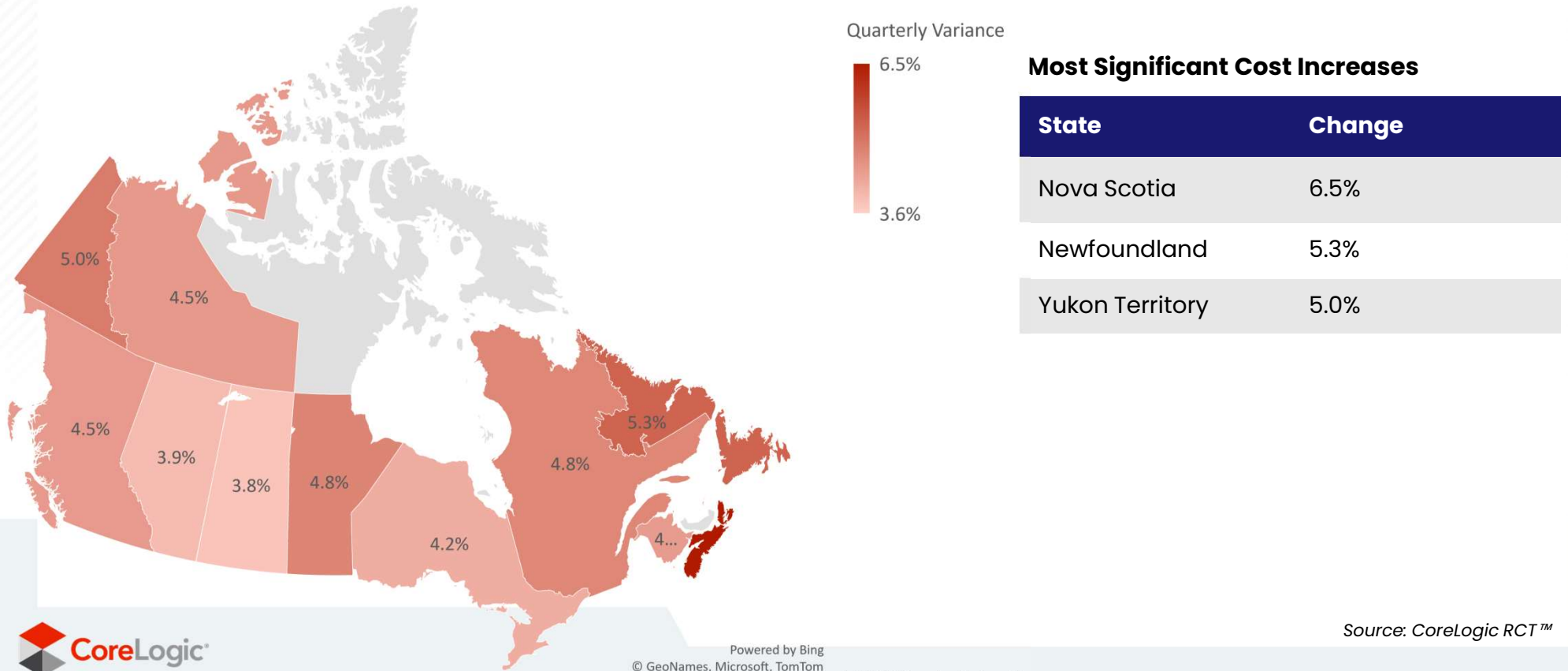


Source: CoreLogic RCT™

CoreLogic Proprietary Information. The information in this presentation may not be copied or distributed without CoreLogic's express written consent. | © 2022 CoreLogic, Inc. All rights reserved. CORELOGIC, RCT and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

Q2 2022 to Q3 2022 Change in Residential Reconstruction Cost — Canada

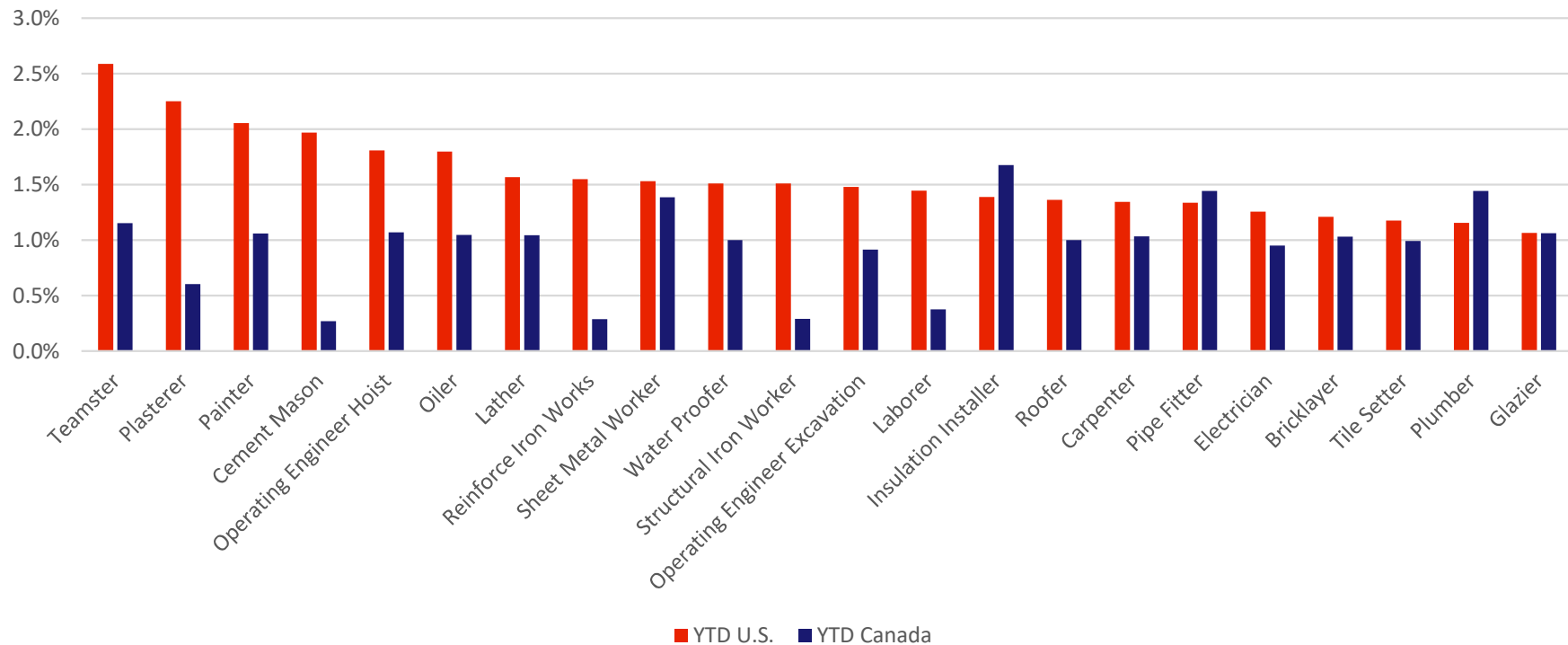
Changes in costs for materials impacts the final residential reconstruction cost of a property. The average province increase in residential reconstruction cost from 2Q22 to 3Q22 was 4.6%.



Labor Costs in the U.S. and Canada Compared

With a continuing shortage of workers for construction, companies are paying higher rates for skilled labor. From January 2022 to August 2022, residential and commercial labor costs in the United States grew with cost growth as high as 2.6% for teamsters. Insulation installers had the highest cost growth in Canada with an increase of 1.7%.

Change in Labor Cost, January 2022 to August 2022



U.S. Economic Indicators

Inflation is raising the cost of building and purchasing property. From Q1 2022 to Q2 2022, housing starts, building permits, home sales, and consumer confidence have all declined while mortgage rates have increased. From Q2 2021 to Q2 2022, home prices have increased by 20.2% for new homes and 17.8% for existing homes.



ECONOMIC INDICATORS

| | Q1 2022 | Q2 2022 |
|-----------------------------|---------|---------|
| Housing Starts* | 1,720 | 1,655 |
| Building Permits* | 1,859 | 1,738 |
| Home Sales* | 6,833 | 5,985 |
| New | 776 | 611 |
| Existing | 6,057 | 5,373 |
| Unemployment | 3.8% | 3.6% |
| Consumer Confidence | 108.1 | 103.4 |
| 30-Year Fixed Mortgage Rate | 3.8% | 5.3% |
| | Q2 2021 | Q2 2022 |
| Home Price YOY Change | | |
| New (%) | 15.7% | 20.2% |
| Existing (%) | 16.3% | 17.8% |

*in 1,000s

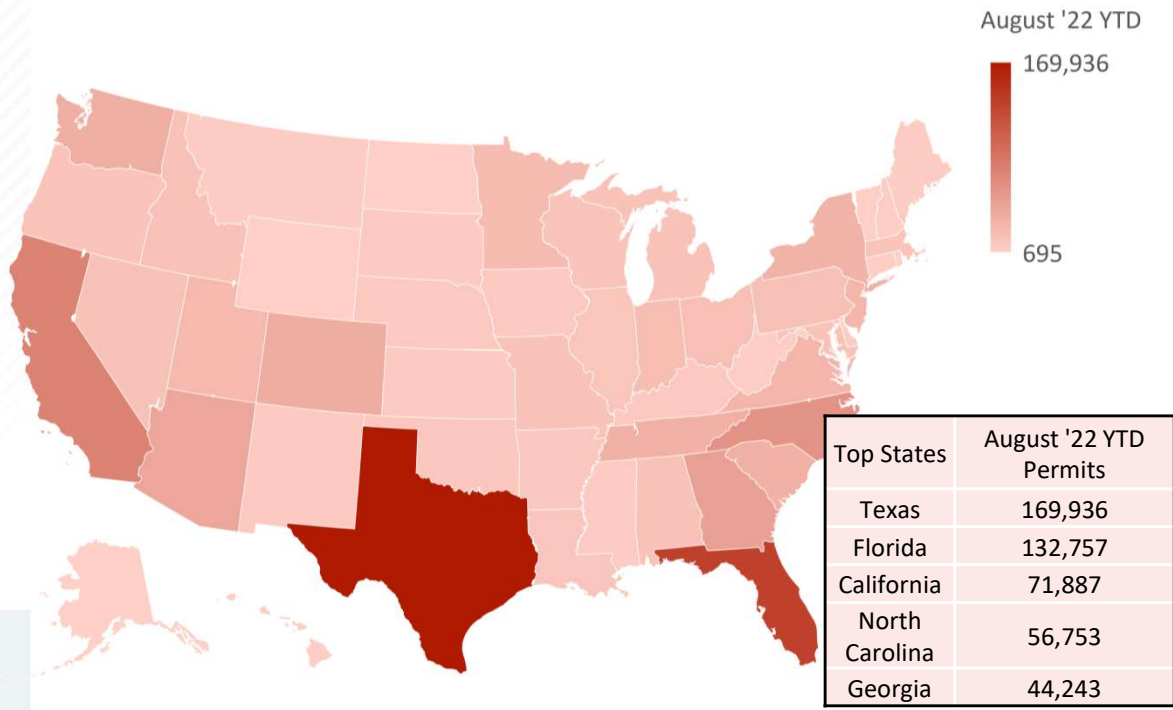
Sources: U.S. Bureau of the Census, National Association of Realtors, U.S. Bureau of Labor Statistics, The Conference Board, Freddie Mac, CoreLogic

CoreLogic Proprietary Information. The information in this presentation may not be copied or distributed without CoreLogic's express written consent. | © 2022 CoreLogic, Inc. All rights reserved. CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

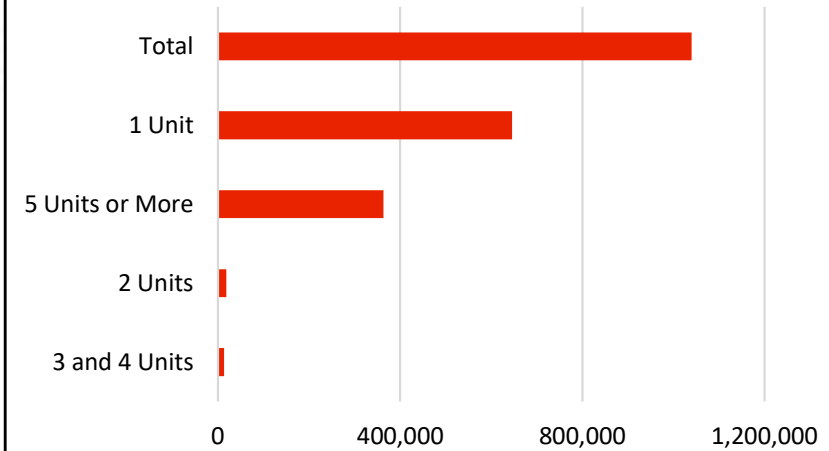
Building Permit Authorizations

Construction permits are a leading indicator. Because permits are required before construction can begin, they may be an indicator that builders are moving forward with projects.

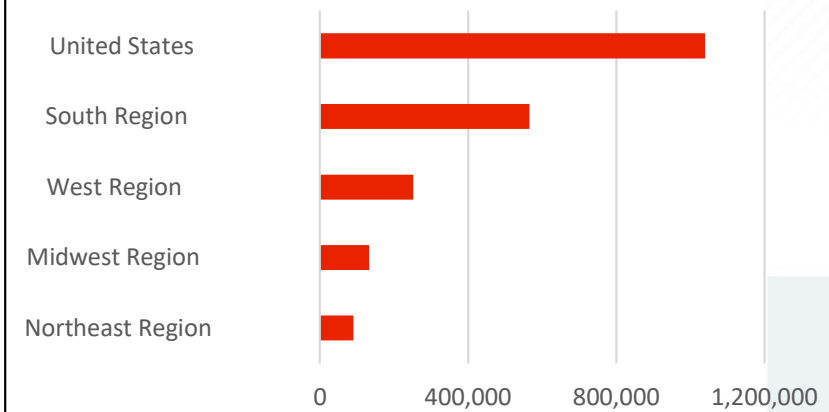
Number of Building Permit Authorizations - January 2022 to August 2022 (YTD)



Type of Unit - August '22 YTD



Region - August '22 YTD



Powered by Bing
© GeoNames, Microsoft, TomTom

Source: U.S. Census Bureau

CoreLogic Proprietary Information. The information in this presentation may not be copied or distributed without CoreLogic's express written consent. | © 2022 CoreLogic, Inc. All rights reserved. CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

Construction Job Growth in the U.S.

Construction employment totaled 7,706,000 jobs in July 2022, up 78,000 jobs since March 2022. Employment in construction was up by 311,000 jobs since July 2021.

Total U.S. Construction Employment in July 2022

7,706,000

↑ 78,000
qtr/qtr

↑ 311,000
yr/yr

Highest GROWTH*

New Mexico
14%

West Virginia
12%

Tennessee
10%

Largest DECLINE*

Hawaii
-4%

Kentucky
-3%

Arkansas
-2%

Source: U.S. Bureau of Labor Statistics

*Total percent gain or loss from June 2021 to June 2022.

Source: Associated General Contractors of America



CoreLogic Proprietary Information. The information in this presentation may not be copied or distributed without CoreLogic's express written consent. | © 2022 CoreLogic, Inc. All rights reserved. CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.



CoreLogic tracks construction costs for commercial, residential and agricultural construction of all types by researching a basket of goods (labor and materials) all around the United States and Canada. This research is conducted monthly, which allows us to monitor fluctuations to commonly used materials.

**For more information, please call:
855.267.7027**