



CoreLogic®

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Quarterly Construction Insights

Q1 2023



Summary Q1 2023

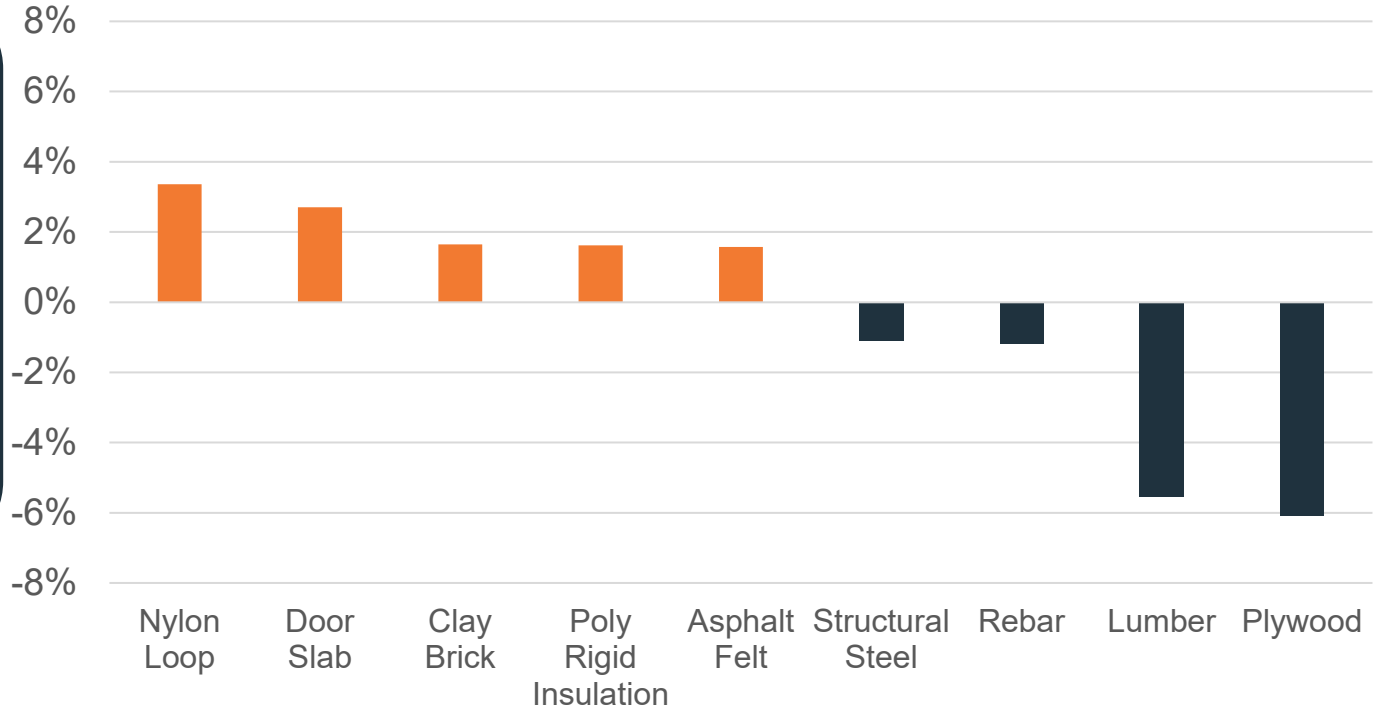
Costs for some materials have already increased in January. Single unit housing and the South continue to dominate permit approvals.

- In the first month of 2023, U.S. costs for nylon loops, door slabs, clay bricks, poly rigid insulation, and asphalt felt have increased.
- Overall residential reconstruction costs have declined slightly from Nov '22 to Feb '23 by -1.7% in U.S. and -1.6% in Canada.
- The South is leading in the nation in 2023 for number of building permit approvals, primarily due to Texas and Florida. Most permits continue to be for single unit housing, though 5+ unit housing is a close second.

Summary YTD Changes in Individual Material Costs (U.S.) 2023

January to February 2023 (YTD U.S.)

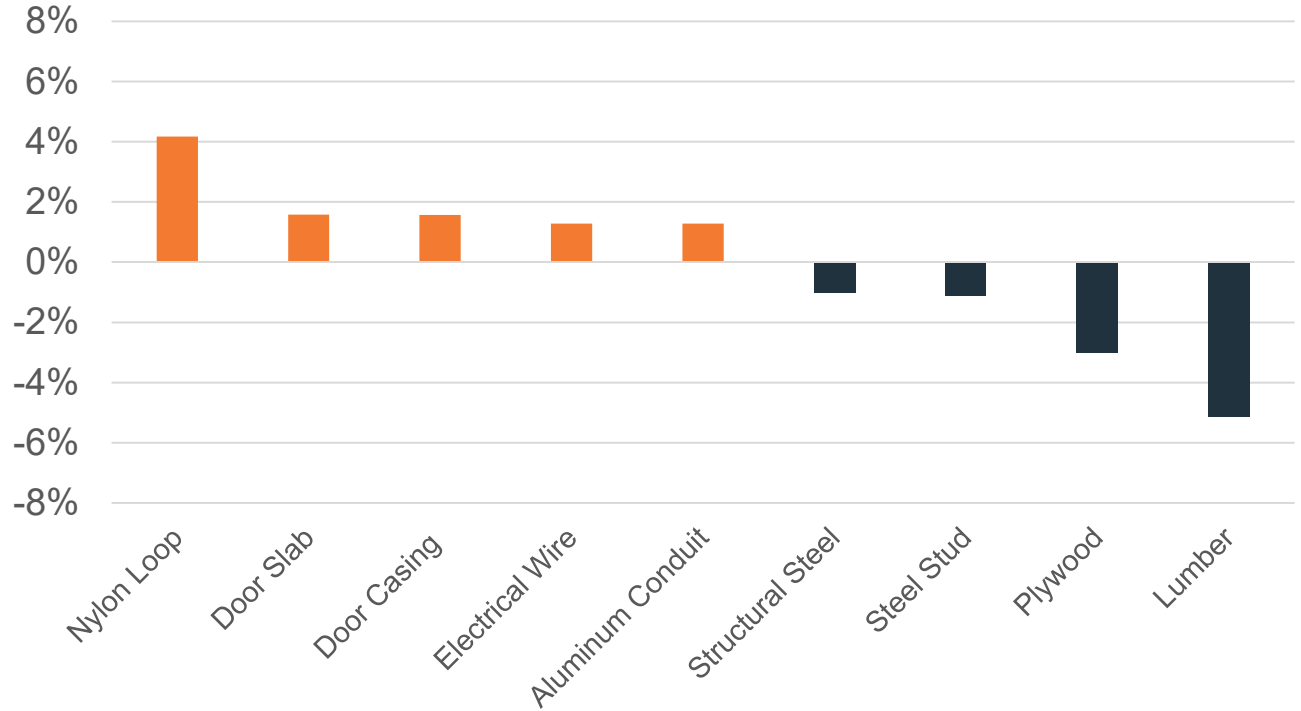
In 2023, U.S. costs for nylon loops, door slabs, clay bricks, poly rigid insulation, and asphalt felt have increased. Costs for structural steel, rebar, lumber, and plywood have decreased.



YTD Changes in Individual Material Costs (Canada)

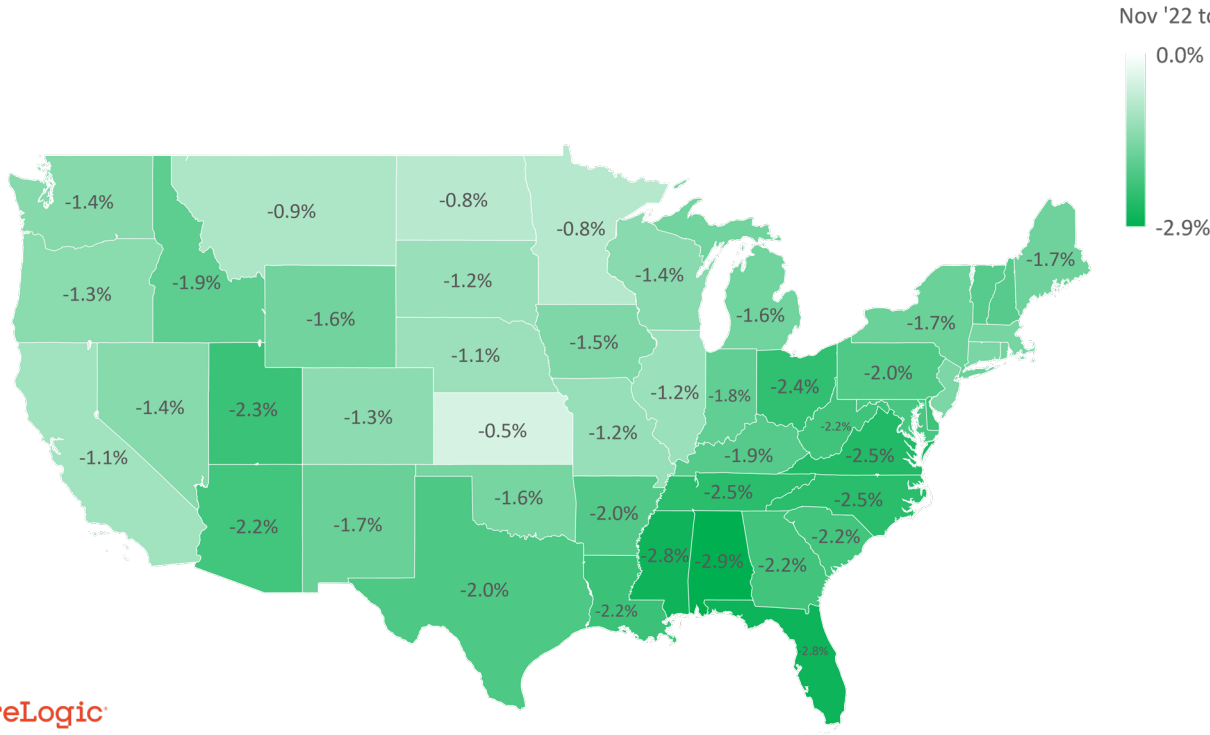
January to February 2023 (YTD CAN)

In 2023, Canadian costs for nylon loops, door slabs, door casing, electrical wire, and aluminum conduits have increased. Costs for structural steel, steel studs, plywood, and lumber have decreased.



Q3 2022 to Q4 2022 Change in Residential Reconstruction Cost — United States

Changes in costs for materials impacts the final residential reconstruction cost of a property. Costs decreased over the last quarter, with the average state change in residential reconstruction cost from Nov '22 to Feb '23 at -1.7%.



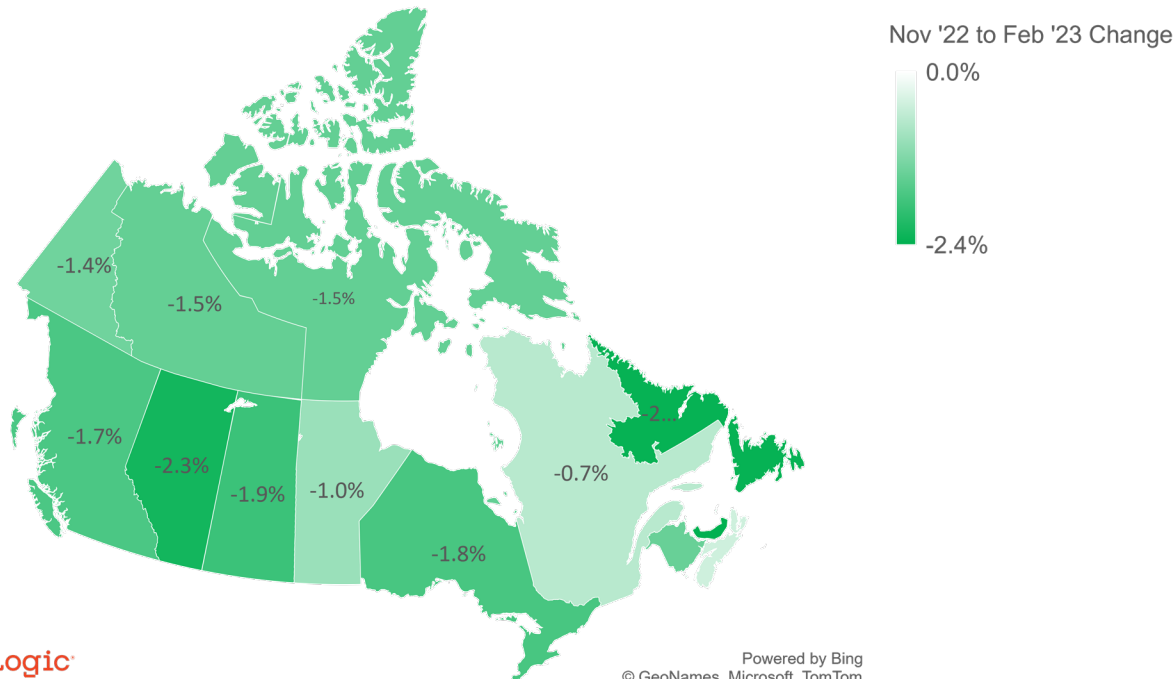
Most Significant Cost Decreases

State	Change
Alabama	-2.9%
Florida	-2.8%
Mississippi	-2.8%

Source: CoreLogic RCT™

Quarterly Change in Residential Reconstruction Cost — Canada

Changes in costs for materials impacts the final residential reconstruction cost of a property. Costs decreased over the last quarter, with the average province change in residential reconstruction cost from Nov '22 to Feb '23 at -1.6%.



Most Significant Cost Decreases

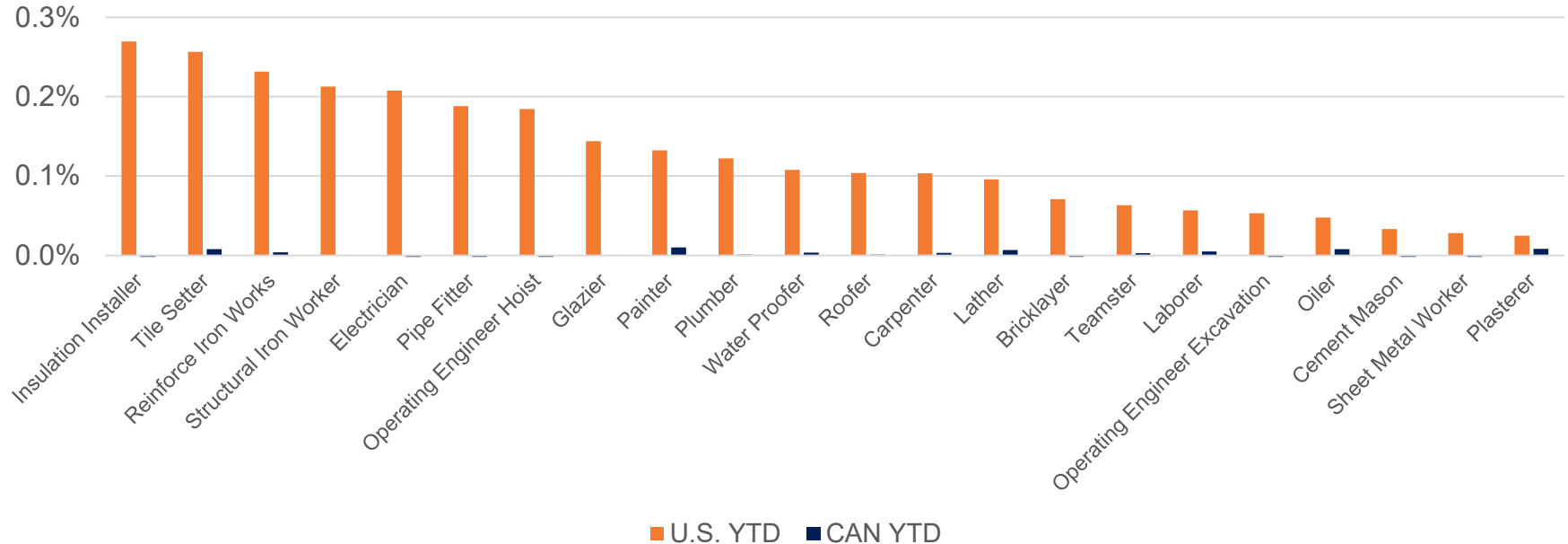
Province	Change
Prince Edward Island	-2.4%
Newfoundland and Labrador	-2.4%
Alberta	-2.3%

Source: CoreLogic RCT™

Labor Costs in the U.S. and Canada Compared

From January 2023 to February 2023, residential and commercial labor costs in the U.S. grew very slightly with cost growth as high as 0.3% for insulation installers. Labor costs in Canada did not see any notable growth.

January 2023 to February 2023 Change in Labor Cost (YTD, U.S. and Canada)



U.S. Economic Indicators

Inflation is raising the cost of building and purchasing property. From Q3 2022 to Q4 2022, housing starts, building permits, and home sales have all declined while mortgage rates have increased. From Q4 2021 to Q4 2022, home prices have increased by 15.8% for new homes and 6.8% for existing homes.

U.S. Economic Indicators

	Q3 2022	Q4 2022
Housing Starts*	1,450	1,405
Building Permits*	1,597	1,400
Home Sales*	5,356	4,796
New	580	599
Existing	4,777	4,197
Unemployment	3.6%	3.6%
Consumer Confidence	102.2	104.2
30-Year Fixed Mortgage Rate	5.6%	6.7%
	Q4 2021	Q4 2022
Home Price YOY Change		
New (%)	19.0%	15.8%
Existing (%)	17.4%	6.8%

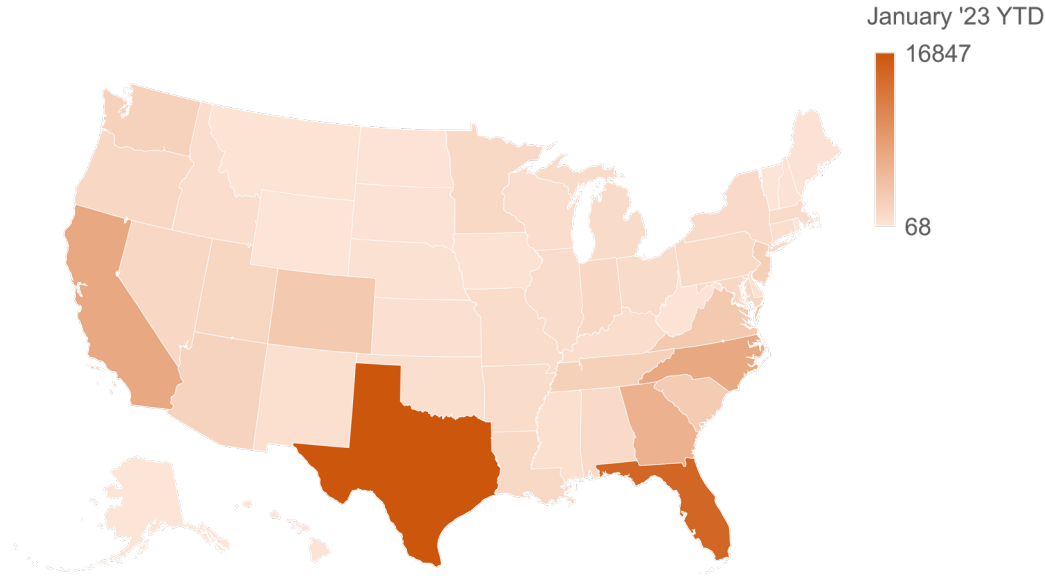
*Seasonally Adjusted Annual Rate (SAAR) in 1,000s

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

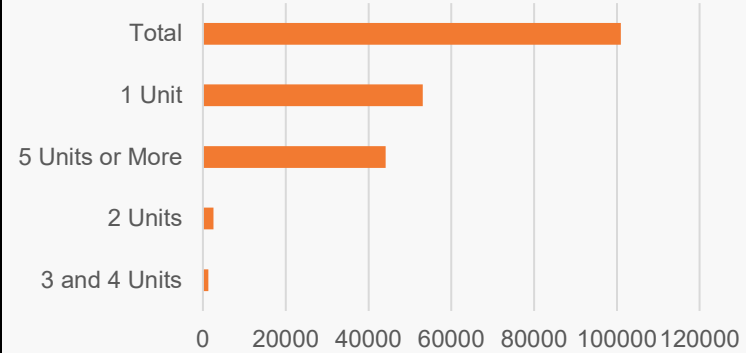
Building Permit Authorizations

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.

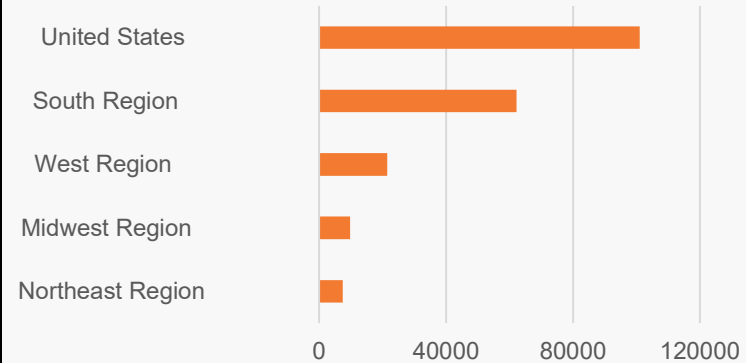
Number of Building Permit Authorizations - January '23 YTD



Type of Unit - January '23 YTD



Region - January '23 YTD



Source: U.S. Census Bureau

Construction Job Growth in the U.S.

Construction employment totaled 7,884,000 jobs in January 2023, up 51,000 jobs since November 2022. Employment in construction was up by 294,000 jobs since January 2022.

Total U.S. Construction Employment in January 2023

7,884,000



51,000

qtr./qtr.



294,000

yr./yr.



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**

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