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Quarterly Construction Insights

Q2 2023

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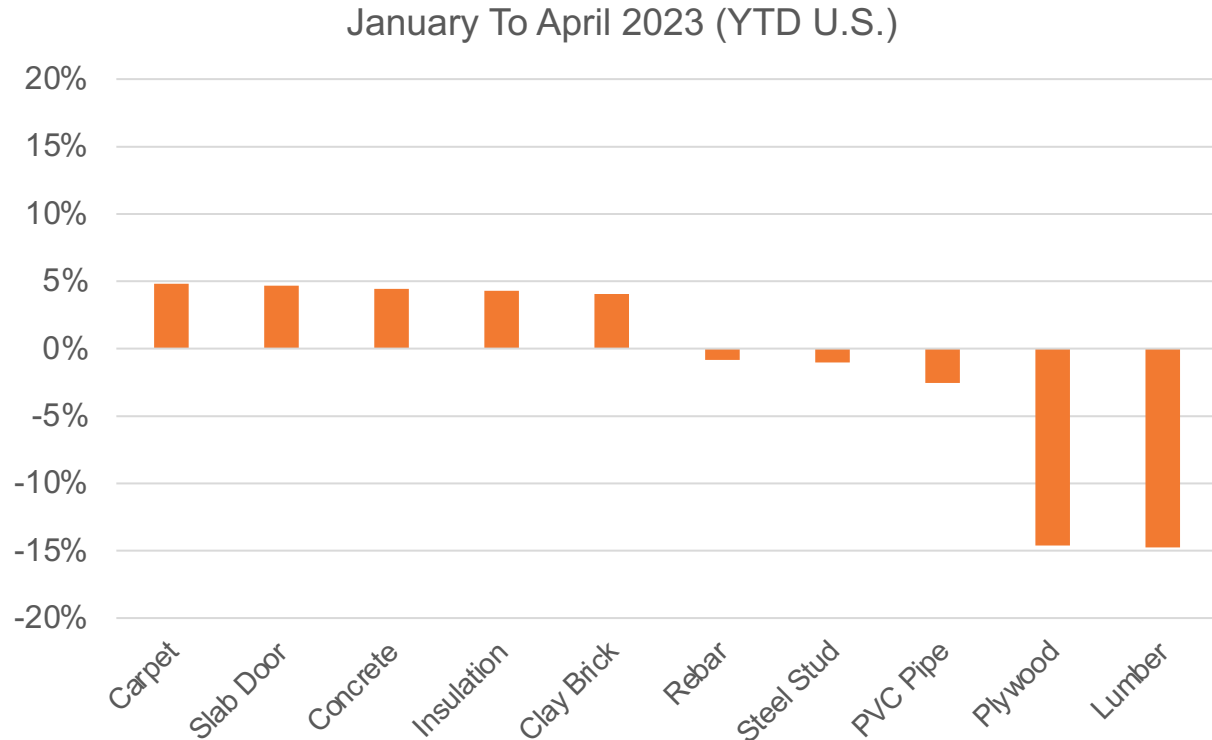
Summary Q2 2023

Costs for lumber and plywood have decreased significantly this year. Single unit housing and the South continue to dominate permit approvals.

- By April 2023, costs for lumber had decreased by 15% YTD in the U.S. and 16% YTD in Canada
- Overall residential reconstruction costs have increased from February '23 to May '23 by under 2% in the U.S. and 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.

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

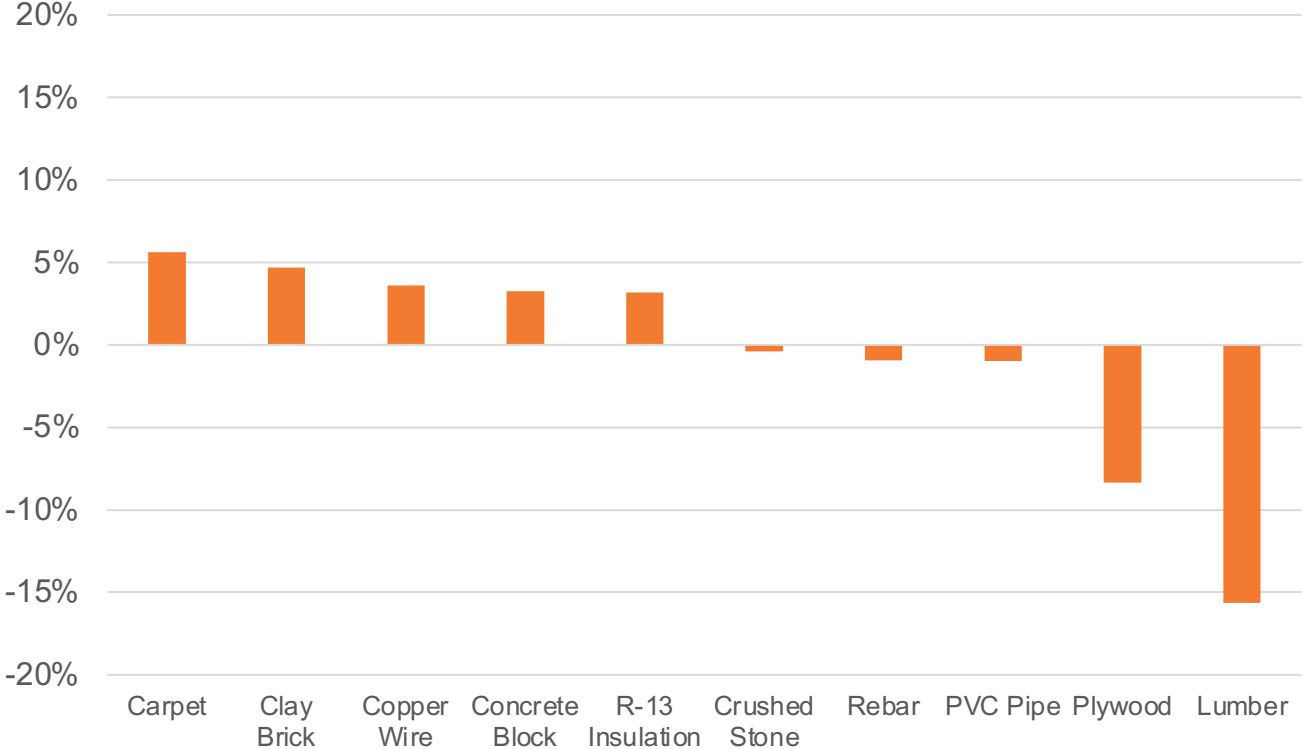
In 2023, U.S. costs for carpet, door slabs, clay bricks, insulation, and concrete have increased. Costs for rebar, steel studs, PVC pipes, plywood, and lumber have decreased.



Summary YTD Changes in Individual Material Costs (Canada) 2023

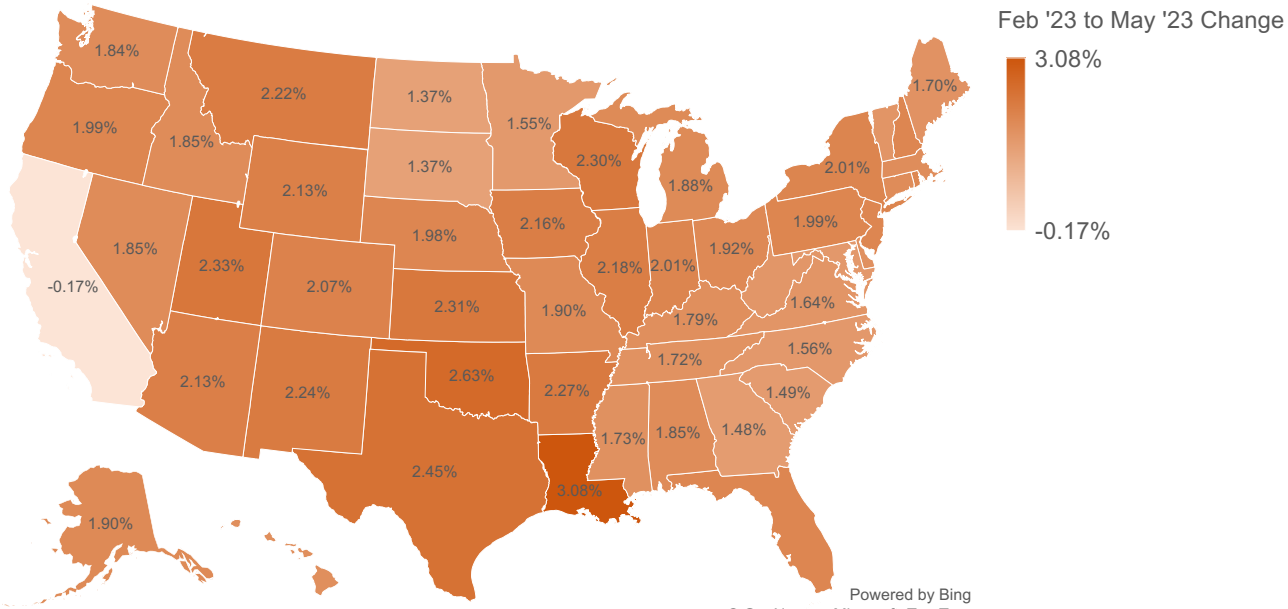
In 2023, Canadian costs for carpet, clay bricks, copper wire, concrete blocks, and R-13 insulation have increased. Costs for crushed stone, rebar, PVC pipe, plywood, and lumber have decreased.

January To April 2023 (YTD Canada)



February to May 2023 Change in Residential Reconstruction Cost — United States

Changes in costs for materials impacts the final residential reconstruction cost of a property. Costs increased over the last quarter, with the average state change in residential reconstruction cost from Feb '23 to May '23 at 1.86%.



Most Significant Cost Increases

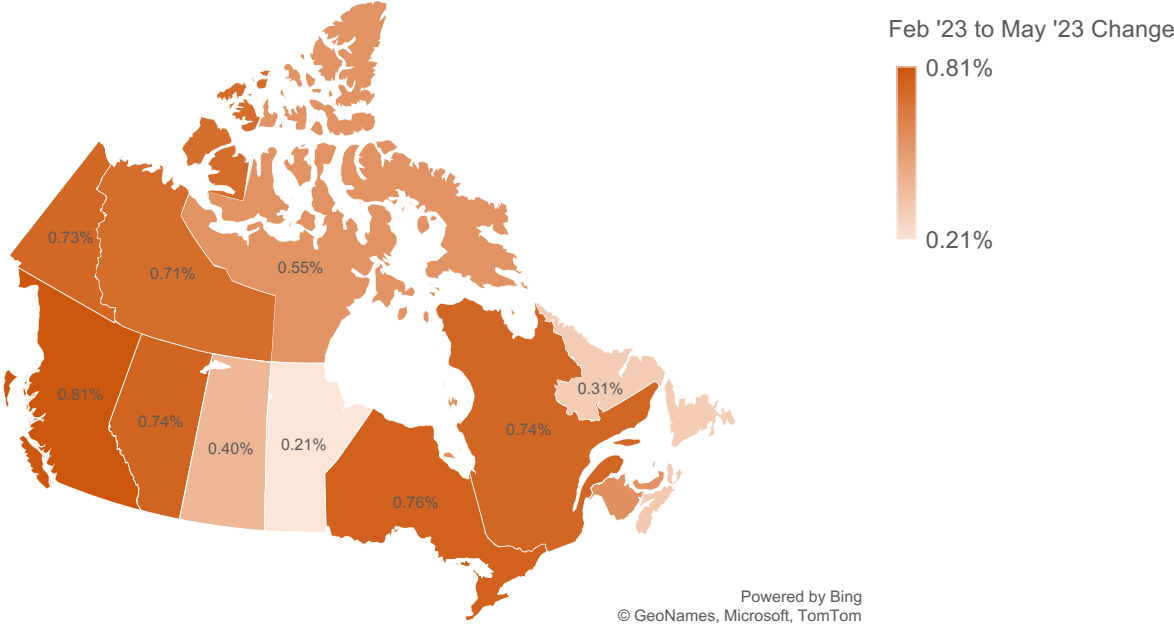
State	Change
Louisiana	3.1%
Oklahoma	2.6%
Texas	2.5%

Source: CoreLogic RCT™

Powered by Bing
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Quarterly Change in Residential Reconstruction Cost — Canada

Changes in costs for materials impacts the final residential reconstruction cost of a property. Costs increased by less than 1% in each province over the last quarter, with the average province change in residential reconstruction cost from Feb '23 to May '23 at 0.58%.



Most Significant Cost Increases

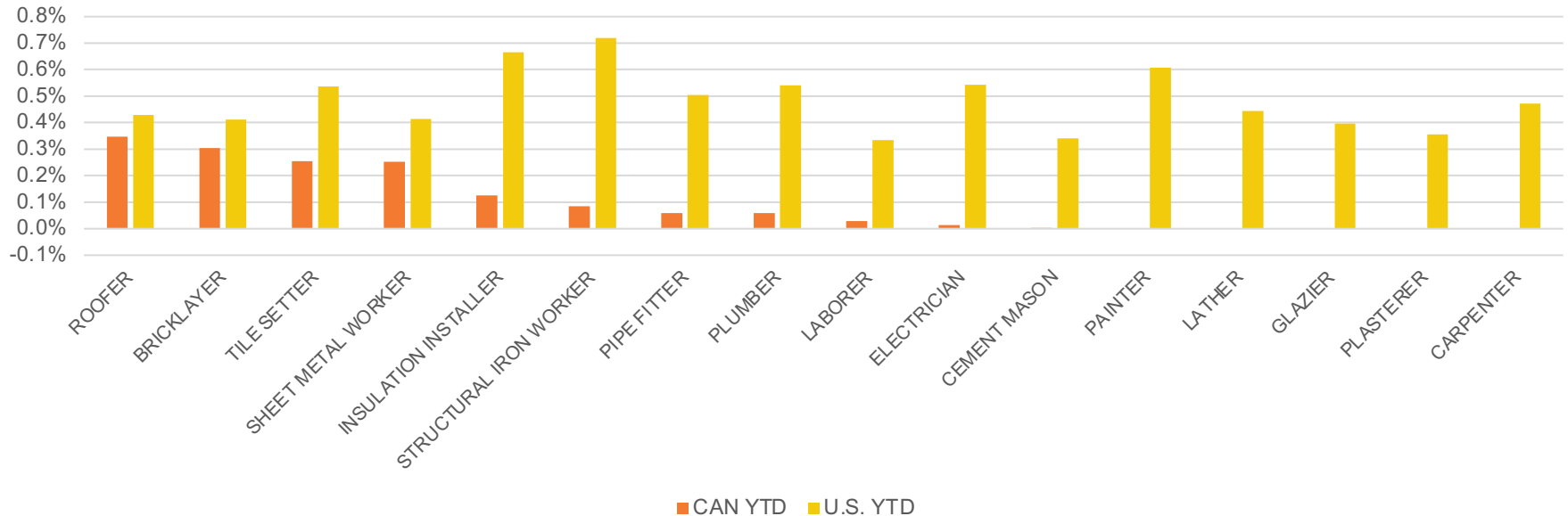
Province	Change
British Columbia	0.81%
Ontario	0.76%
Alberta	0.74%

Source: CoreLogic RCT™

Labor Costs in the U.S. and Canada Compared

From January 2023 to April 2023, residential and commercial labor costs in the U.S. grew very slightly with cost growth as high as 0.7% for structural iron workers. Labor costs in Canada grew even less with growth as high as 0.3% for roofers.

January 2023 to April 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 Q4 2022 to Q1 2023, building permits and home sales have increased while housing starts and 30-year fixed mortgage rates have decreased. From Q1 2022 to Q1 2023, home prices have increased by 0.2% for new homes and 3.1% for existing homes.

U.S. Economic Indicators

	Q4 2022	Q1 2023
Housing Starts*	1,398	1,395
Building Permits*	1,400	1,434
Home Sales*	4,794	4,981
New	598	651
Existing	4,197	4,330
Unemployment	3.6%	3.5%
Consumer Confidence	104.2	104.5
30-Year Fixed Mortgage Rate	6.7%	6.4%
	Q1 2022	Q1 2023
Home Price YOY Change		
New (%)	19.6%	0.2%
Existing (%)	19.6%	3.1%

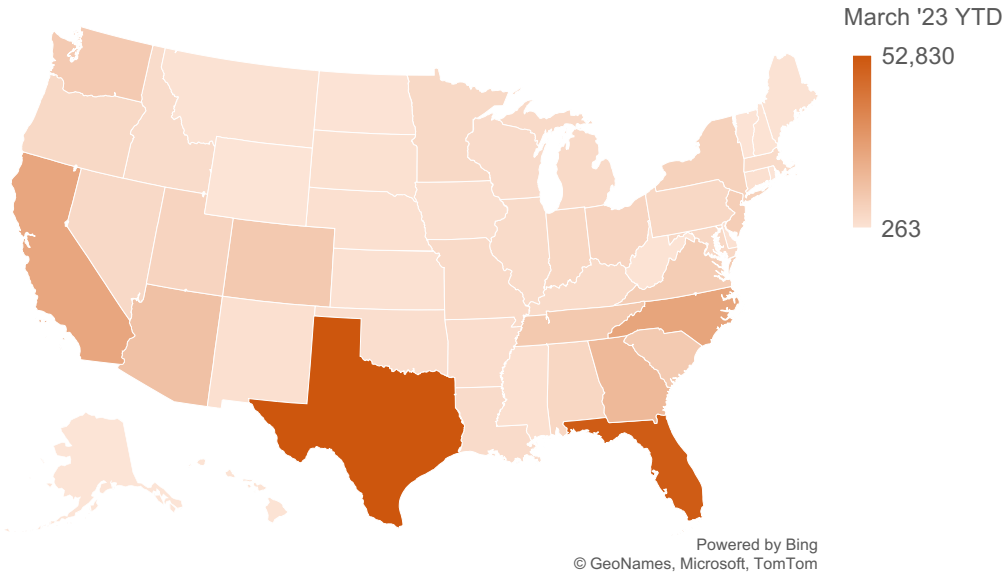
*Seasonally Adjusted Annual Rate (SAAR) in 1,000s

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

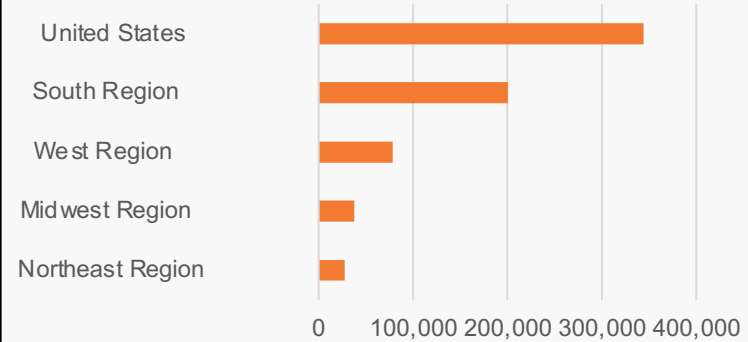
Building Permit Authorizations

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.

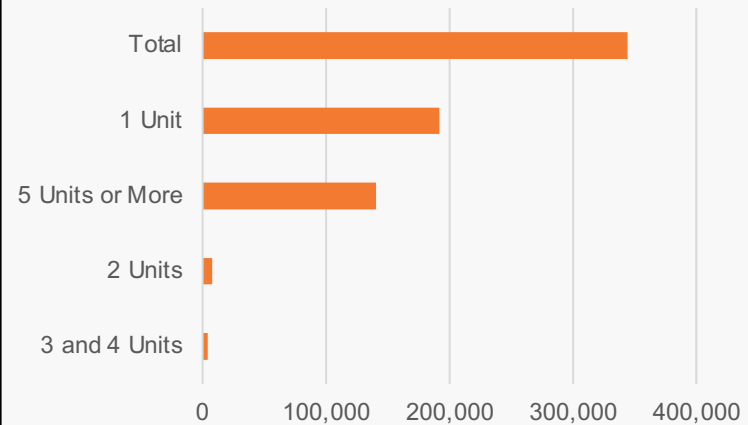
Number of Building Permit Authorizations - March '23 YTD



Region - March '23 YTD



Type of Unit - March '23 YTD



Construction Job Growth in the U.S.

Construction employment totaled 7,903,000 jobs in April 2023, up 18,000 jobs since January 2023. Employment in construction was up by 205,000 jobs since April 2022. As of April 2023, there were 383,000 open positions in construction and 356,000 hires, highlighting the continued high demand for workers in the industry.

Total U.S. Construction Employment in April 2023

7,903,000

↑ 18,000
qtr./qtr.

↑ 205,000
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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