



Quarterly Construction Insights

Q3 2023

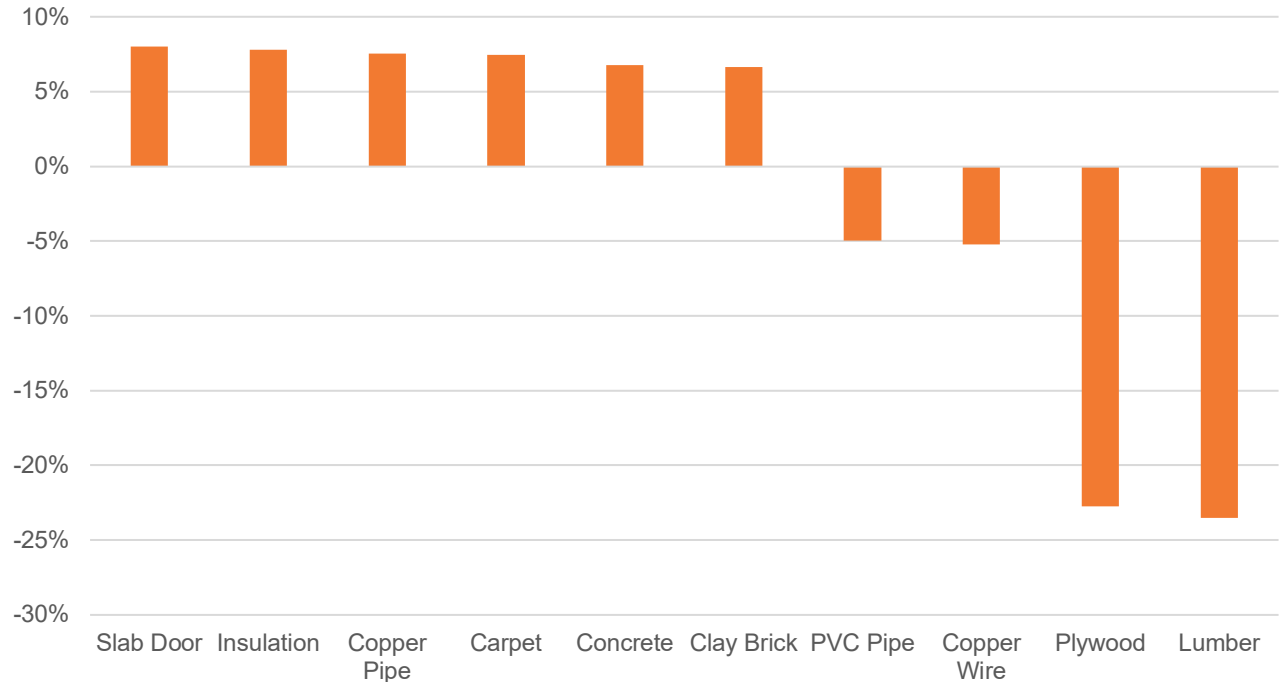
Summary Q3 2023

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

- By August 2023, costs for lumber had decreased by 24% YTD in the U.S. and 26% YTD in Canada
- Overall residential reconstruction costs have changed from May '23 to August '23 by less than 1% in the U.S. and Canada
- The South continues to lead 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

January to August 2023 (YTD U.S.)

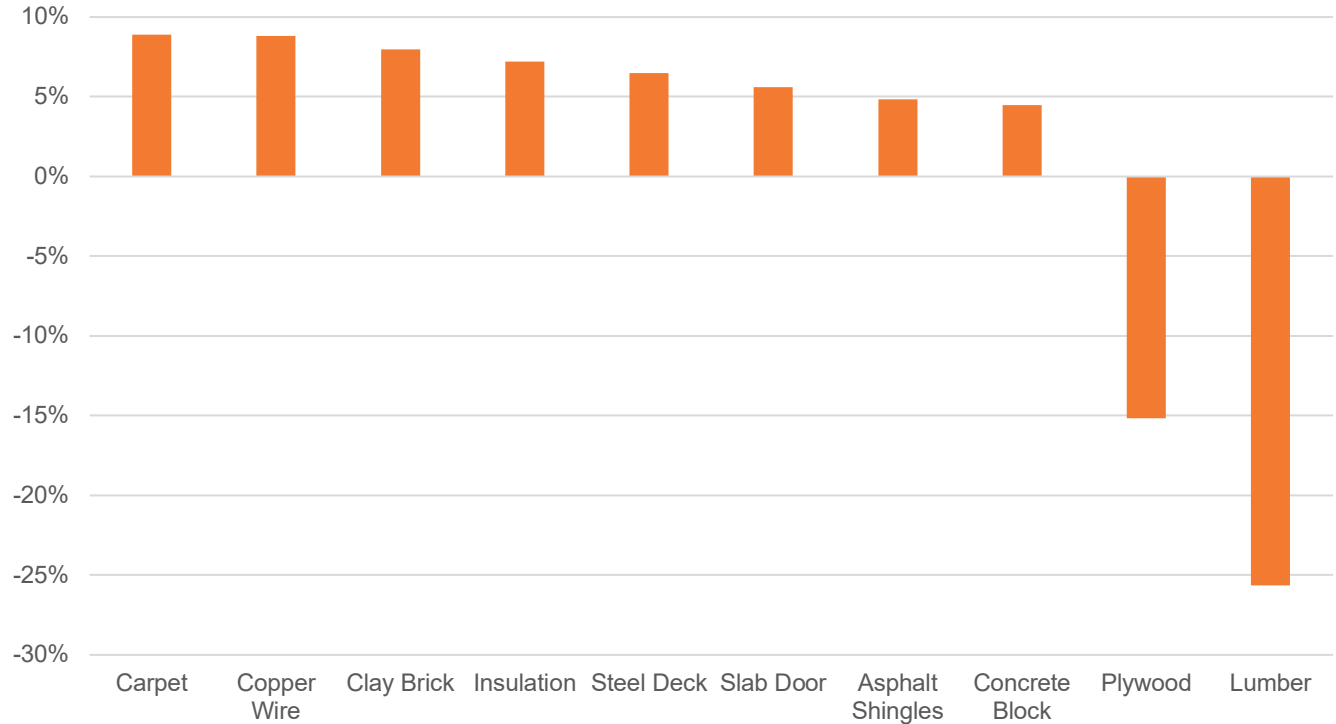


In 2023, U.S. costs for slab doors, insulation, copper pipe, carpet, concrete, and clay bricks have increased. Costs for PVC pipe, copper wire, plywood, and lumber have decreased.

Summary YTD Changes in Individual Material Costs (Canada) 2023

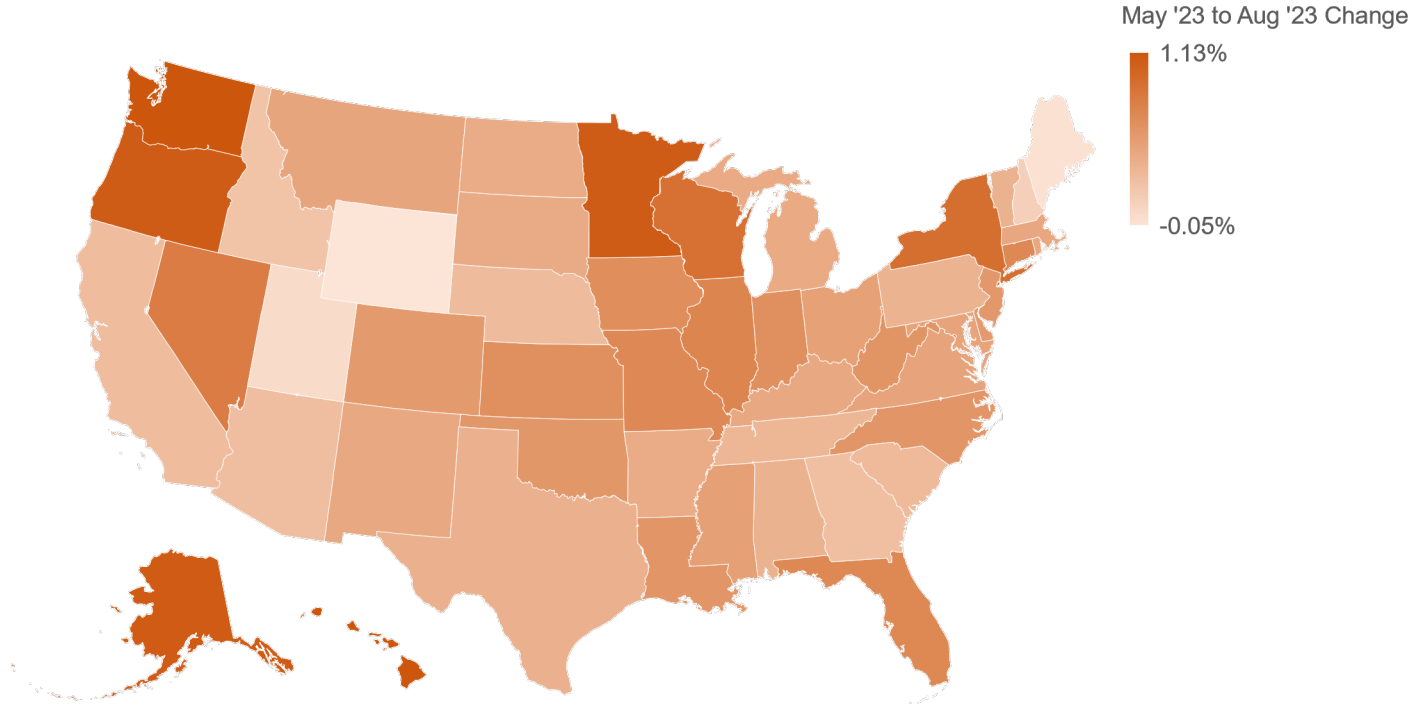
January to August 2023 (YTD Canada)

In 2023, Canadian costs for carpet, copper wire, clay brick, insulation, steel decks, slab doors, asphalt shingles, and concrete bricks have increased. Costs for plywood and lumber have decreased.



May '23 to Aug '23 Change in Residential Reconstruction Cost — United States

Changes in costs for materials impacts the final residential reconstruction cost of a property. Costs increased slightly over the last quarter at an average of 0.57%.

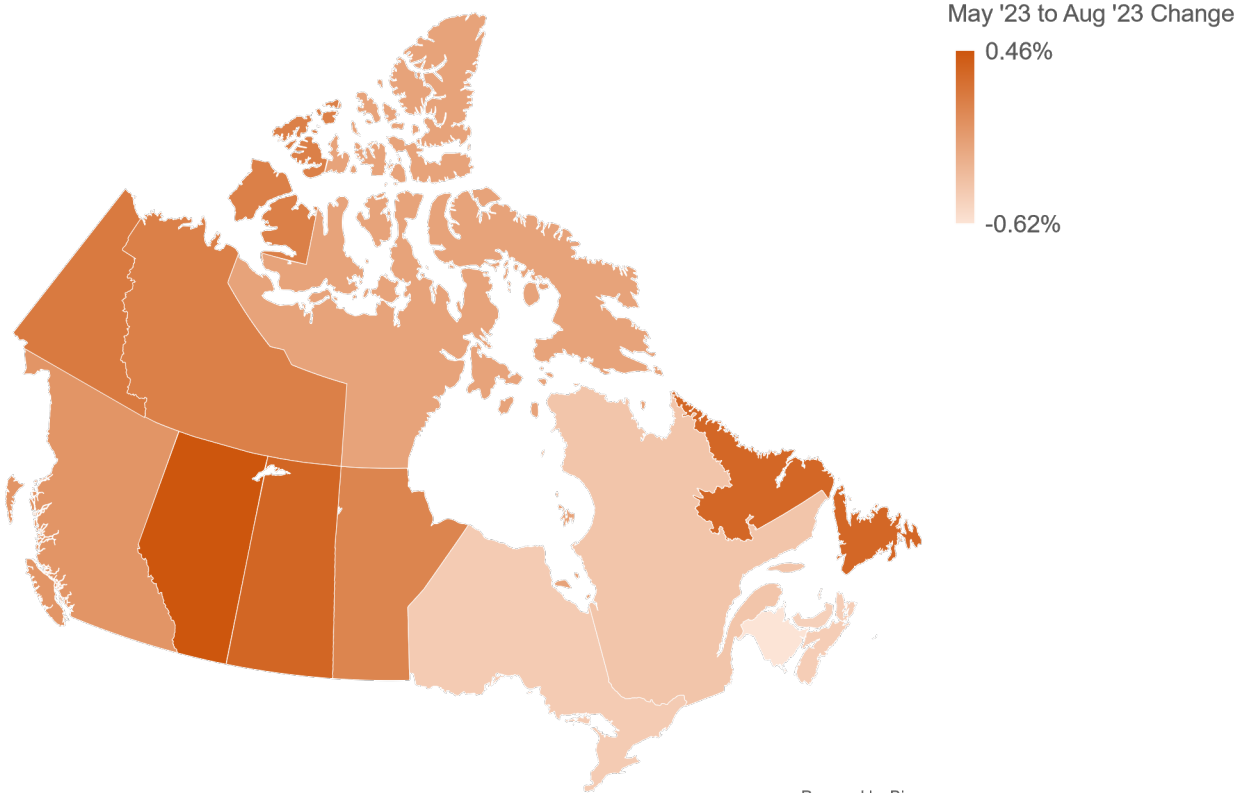


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Source: CoreLogic RCT™

May '23 to Aug '23 Change in Residential Reconstruction Cost — Canada

Changes in costs for materials impacts the final residential reconstruction cost of a property. Costs remained nearly stable in Canada with the average change in residential reconstruction cost from Feb '23 to May '23 at -0.07%.



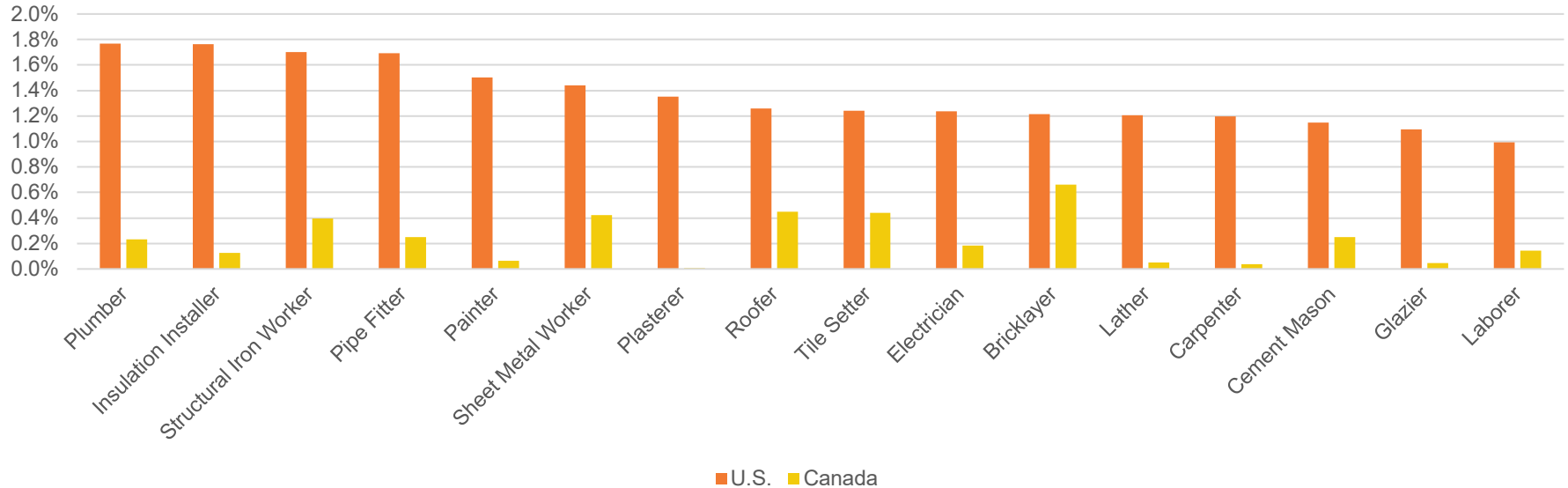
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Source: CoreLogic RCT™

Labor Costs in the U.S. and Canada Compared

From January 2023 to August 2023, residential and commercial labor costs in the U.S. grew with cost growth as high as 1.8% for plumbers. Labor costs in Canada grew less with growth as high as 0.7% for bricklayers.

January to August 2023 (YTD, U.S. and Canada)



U.S. Economic Indicators

Inflation has raised the cost of building and purchasing property. From Q1 2023 to Q2 2023, building permits, housing starts, and 30-year fixed mortgage rates increased while overall home sales decreased. From Q2 2022 to Q2 2023, home prices have decreased by 5.1% for new homes and increased by 1.6% for existing homes.

U.S. Economic Indicators

	Q1 2023	Q2 2023
Housing Starts*	1,385	1,447
Building Permits*	1,424	1,451
Home Sales*	4,965	4,944
New	638	694
Existing	4,327	4,250
Unemployment	3.5%	3.6%
Consumer Confidence	104.5	105.4
30-Year Fixed Mortgage Rate	6.4%	6.5%
	Q2 2022	Q2 2023
Home Price YOY Change		
New (%)	21.1%	-5.1%
Existing (%)	17.4%	1.6%

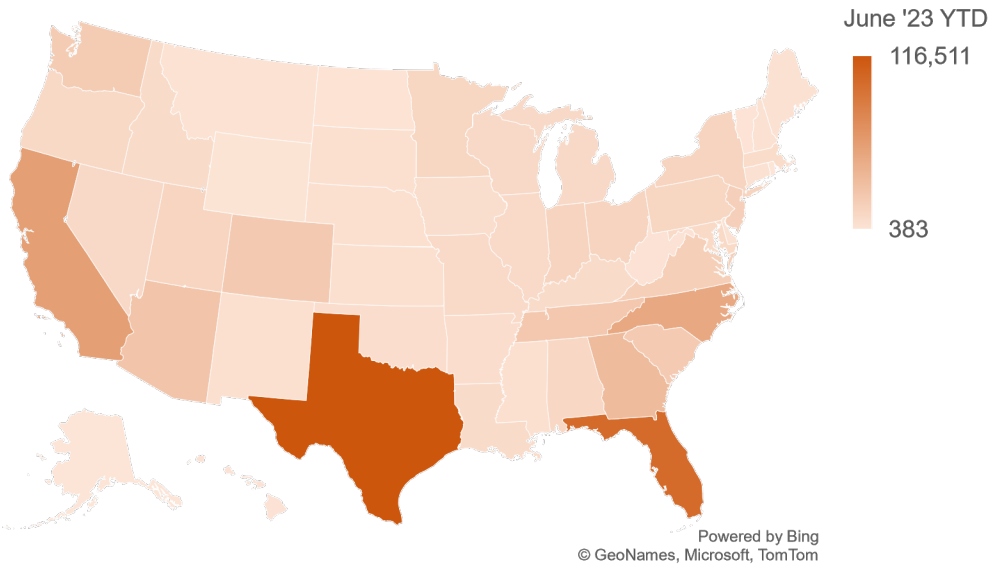
*Seasonally Adjusted Annual Rate (SAAR) in 1,000s

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

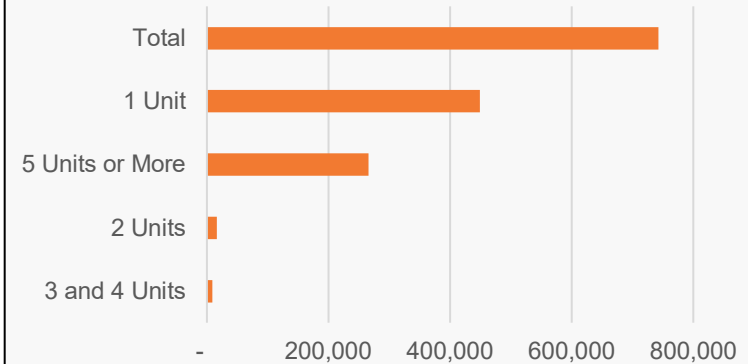
Building Permit Authorizations

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.

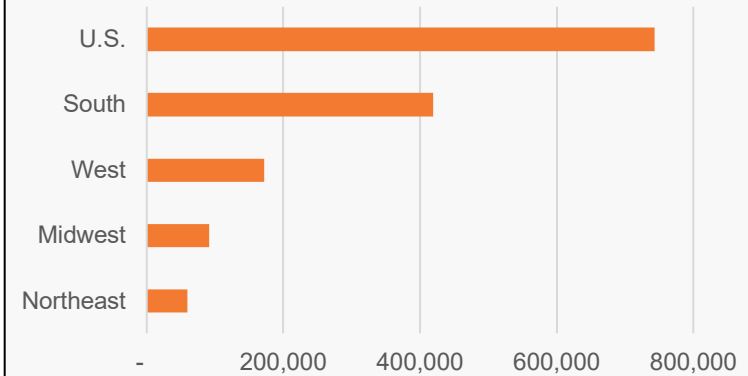
Number of Building Permit Authorizations - June '23 YTD



Type of Unit - June '23 YTD



Region - June '23 YTD



Construction Job Growth in the U.S.

Construction employment totaled 7,971,000 jobs in July 2023, up 70,000 jobs since April 2023. Employment in construction was up by 198,000 jobs since July 2022. As of June 2023, there were 374,000 open positions in construction and 346,000 hires, highlighting the continued high demand for workers in the industry.

Total U.S. Construction Employment in July 2023

7,971,000

↑ 70,000
qtr./qtr.

↑ 198,000
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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