



RCT Product Update Bulletin

3rd Quarter 2015

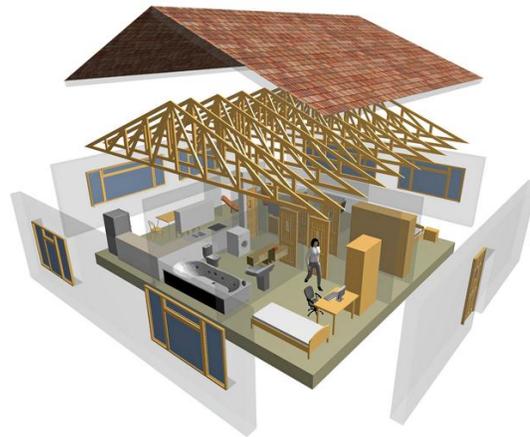
CoreLogic® is pleased to provide you with an overview of the 3rd quarter 2015 RCT® updates.

To ensure our clients receive the most current building material and labor costs, CoreLogic researchers continually collect and analyze labor, material and equipment costs (hard costs), including mark-ups. Our research also covers taxes and fringes (soft costs) for reconstruction work performed for the insurance industry in the United States and Canada. Our professionals monitor data from nearly 3,000 unique economies in the United States, and over 100 in Canada.

The process includes monitoring demographics and econometric statistics, government indicators, and localization requirements, including market trends. Other factors in this process include the following:

- ▶ Wage rates for more than 85 union and non-union trades
- ▶ Over 100,000 line items of construction data
- ▶ Productivity rates and crew sizes
- ▶ Local cost concerns, such as building code requirements and other localized variables

In addition, we validate cost data by analyzing field inspection records, contractor estimates, phone surveys and partial and full loss claim information.



For more information, or for further explanation, please contact your sales consultant or account manager.

NOTE: The cost information in this bulletin is only intended to give you a general sense of reconstruction cost trends in North America. You should NOT advocate using these factors when adjusting renewal values for specific locations or across your book of business. Please note that the building material and labor cost trends presented in this bulletin are broad averages derived from our research of construction trades and building materials.

U.S. Quarterly

% MATERIAL COST CHANGES

ASPHALT SHINGLES

▼ 0.8 %

COPPER WIRE

▼ 0.8 %

DRYWALL

▲ 1.3 %

FELT PAPER

▼ 0.1 %

INSULATION

▲ 0.7 %

LUMBER

▼ 3.3 %

PLYWOOD

▼ 1.8 %

READY MIX

▶ 0.0 %

COPPER PIPE

▼ 0.5 %



U.S. Regional Quarterly Cost Changes 3rd Quarter 2015 compared to 2nd Quarter 2015

North west	0.11%
South west	0.33%
Northeast	0.37%
Southeast	0.27%
North Central	0.24%
South Central	0.20%

National Average: 0.25 %

U.S. Regional RCT[®] Cost Changes

CoreLogic independent research and data confirms a pattern of decline for roofing products, reporting a 0.8% decrease for asphalt shingles, and a 0.1% decrease for felt paper over the quarter. Both asphalt shingles and felt paper reflect a 2.3% and a 1.7% decrease annually. A Feb. 10, 2015 *Roofing Contractor* article by Derrick Teal dated, reports “Roofing Contractor teamed with BNP Media Research and GAF to conduct its annual State of the Industry survey of the roofing market.” The article also reveals “15% of contractors saw no change reflected in the sale of roofing products; while 6% experienced decline throughout 2014”. Decreases are likely to continue through 2015.

The average for U.S. building materials decreased 0.5% for the quarter. For labor, the average wage rate increased 0.4%, based on construction trade contracts that were renewed during the quarter.

CoreLogic monitors a wide variety of construction materials for the residential building industry. A snapshot of some of the most common material elements is listed below:

US	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Asphalt Shingles 25y r, 3-tab	-0.8	-0.6	-0.4	-0.6	-1.6	-0.6	-0.2	1.1
Copper Wire	-0.8	-3.6	-0.8	0.3	-3.3	0.3	-0.6	-1.4
1/2" Dry wall	1.3	1.3	0.0	0.4	2.6	3.1	1.5	3.9
Felt Paper	-0.1	-0.1	-0.7	-0.9	-0.3	-0.3	0.0	-0.3
R-13 Fiber Batt Insulation	0.7	0.6	0.3	0.6	1.6	2.7	5.6	4.8
2x4 Lumber	-3.3	-1.5	1.4	1.7	2.9	0.7	-2.1	1.1
1/2" Ply wood	-1.8	-2.2	2.9	10.4	0.7	-2.8	-5.0	1.3
Ready Mix	0.0	2.6	0.9	-0.2	-0.7	2.3	1.4	0.1
1/2" Copper Pipe	-0.5	-0.5	-1.0	0.3	-1.5	-0.2	-0.4	-1.0

*Aggregate material Index of the nine most commonly used building materials – Residential

**This table represents the percent change from one quarter to the next period. .

CANADA

Quarterly

% MATERIAL COST CHANGES

ASPHALT SHINGLES
▼ 0.3 %

COPPER WIRE
▲ 0.6 %

DRYWALL
▲ 0.1 %

FELT PAPER
▶ 0.0 %

INSULATION
▼ 0.2 %

LUMBER
▶ 0.0 %

PLYWOOD
▲ 0.1 %

READY MIX
▼ 2.1 %

COPPER PIPE
▼ 0.3 %



Canada Regional Quarterly Cost Changes 3rd Quarter 2015 compared to 2nd Quarter 2015

North	0.03%
West	0.31%
Central	0.29%
Atlantic	0.11%

National Average: 0.26%

Canada Regional RCT[®] Cost Changes

CoreLogic independent research and data confirms issues with supply and demand for drywall, revealing a 4.3% decrease over the year. An Apr. 10, 2015 *Industrials Minerals* article titled “Canadian Gypsum Mine gets Go-ahead for Expansion” reports that “National Gypsum Ltd has received clearance to expand its mining operations after registering its project for environmental assessment in Milford, Nova Scotia.” Mineral mining, including gypsum, was placed under government restriction early this year while supply and demand have slowed within the market.

The average for Canadian building materials increased 0.2% over the quarter. For labor, the average wage rate revealed little to no change for the quarter, based on construction trade contracts that were renewed during the quarter.

CoreLogic monitors a wide variety of construction materials for the residential building industry. A snapshot of some of the most common material elements is listed below:

Canada	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Asphalt Shingles 25y r, 3-tab	-0.3	0.5	0.4	-1.2	-0.2	0.4	-0.1	-1.3
Copper Wire	0.6	-0.6	0.0	0.2	-2.0	-1.6	-0.3	-1.4
1/2" Dry wall	0.1	-0.4	-1.9	-2.2	-1.6	1.1	-0.5	-0.8
Felt Paper	0.0	0.4	-0.3	-0.6	0.0	0.0	-0.1	-0.3
R-13 Fiber Batt Insulation	-0.2	0.2	-1.5	-0.2	0.9	0.2	0.1	1.9
2x4 Lumber	0.0	1.6	1.4	2.4	2.6	2.3	0.1	2.2
1/2" Plywood	0.1	1.8	5.0	9.7	-1.7	-1.0	-3.4	-1.7
Ready Mix	-2.1	1.3	0.2	0.1	-1.8	2.6	1.8	-1.1
1/2" Copper Pipe	-0.3	0.8	-0.4	-0.1	-0.3	-0.8	-0.5	-1.1

*Aggregate material Index of the nine most commonly used building materials – Residential

**This table represents the percent change from one quarter to the next period.

RCT[®] Software Updates for This Quarter

U.S. Annual

% MATERIAL COST CHANGES

ASPHALT SHINGLES
▼ 2.3 %

COPPER WIRE
▼ 4.8 %

DRYWALL
▲ 3.0 %

FELT PAPER
▼ 1.7 %

INSULATION
▲ 2.1 %

LUMBER
▼ 1.8 %

PLYWOOD
▲ 9.1 %

READY MIX
▲ 3.4 %

COPPER PIPE
▼ 1.7 %

NOTE: CoreLogic recommends a full program install whenever possible to ensure that you have the latest data and program enhancements.

Cost Data Changes

The third quarter 2015 cost data update reflects reconstruction cost changes in both labor and material. Standardized costs in this release reflect localized, updated costs representing the impact of emerging markets and economic trends on construction costs.

Non Cost Data Changes – Material Updates

The following new materials were added to RCT High Value™ and RCT 4.x:

- Titanium, Standing Seam (Percent) (Roof, Roof Cover)
- Shingles, Titanium (Percent) Roof, Roof Cover)
- Zinc, Standing Seam (Percent) Roof, Roof Cover)
- Shingles, Zinc (Percent) (Roof, Roof Cover)
- Retaining Wall, Brick (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Block (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Brick & Block (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Poured Concrete (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Railroad Tie (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Stone Veneer (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Fieldstone (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Stacked Boulder (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Gabion (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Timber/Wood (Square Feet) (Attached Structures, Porches)
- Retaining Wall, Brick (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Brick & Block (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Poured Concrete (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Railroad Tie (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Fieldstone (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Gabion (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Timber/Wood (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Brick (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Brick & Block (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Poured Concrete (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Railroad Tie (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Fieldstone (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Gabion (Square Feet) (Detached Structures, Walls & Fences)
- Retaining Wall, Timber/Wood (Square Feet) (Detached Structures, Walls & Fences)
- Tile, Plaster (Percent) (Partition Walls, Wall Coverings)
- Tile, Plastic (Percent) (Partition Walls, Wall Coverings)
- Fabric, Padded Upholstered (Percent) (Partition Walls, Wall Coverings)
- Tile, Glass (Percent) (Partition Walls, Wall Coverings)
- Tile, Quartz (Percent) (Partition Walls, Wall Coverings)
- Tile, Onyx (Percent) (Partition Walls, Wall Coverings)
- Paint Only (Percent) (Ceiling Finish, Ceilings)
- Stain Only (Percent) (Ceiling Finish, Ceilings)
- Tile, Plaster (Percent) (Ceiling Finish, Ceilings)
- Tile, Plastic (Percent) (Ceiling Finish, Ceilings)
- Fabric, Padded Upholstered (Percent) (Ceiling Finish, Ceilings)
- Tile, Plastic, Interlocking (Percent) (Floor Finish, Floor Cover)
- Tile, Quartz (Percent) (Floor Finish, Floor Cover)
- Tile, Onyx (Percent) (Floor Finish, Floor Cover)
- Mantel, Carved Granite (Each) (Interior Features, Fireplaces)
- Mantel, Carved Marble (Each) (Interior Features, Fireplaces)
- Mantel, Carved Onyx (Each) (Interior Features, Fireplaces)
- Mantel, Cast Stone (Each) (Interior Features, Fireplaces)
- Mantel, Hardwood (Each) (Interior Features, Fireplaces)
- Mantel, Precast Plaster (Each) (Interior Features, Fireplaces)
- Mantel, Carved Granite, LF (Linear Feet) (Interior Features, Fireplaces)
- Mantel, Carved Marble, LF (Linear Feet) (Interior Features, Fireplaces)
- Mantel, Carved Onyx, LF (Linear Feet) (Interior Features, Fireplaces)
- Mantel, Cast Stone, LF (Linear Feet) (Interior Features, Fireplaces)
- Mantel, Precast Plaster, LF (Linear Feet) (Interior Features, Fireplaces)
- Countertop, Glass Tile (Linear Feet) (Kitchens, Baths & Plumbing, Kitchens Build-up)
- Countertop, Glass Tile (Linear Feet) (Kitchens, Baths & Plumbing, Bathrooms Build-up)
- Countertop, Onyx (Linear Feet) (Kitchens, Baths & Plumbing, Kitchens Build-up)
- Countertop, Onyx (Linear Feet) (Kitchens, Baths & Plumbing, Bathrooms Build-up)
- Countertop, Quartz (Linear Feet) (Kitchens, Baths & Plumbing, Kitchens Build-up)
- Countertop, Quartz (Linear Feet) (Kitchens, Baths & Plumbing, Bathrooms Build-up)
- Stairs, Attic, Pull Down, Metal (Each) (Interior Features, Staircases)
- Stairs, Attic, Pull Down, Wood (Each) (Interior Features, Staircases)

CANADA

Annual

% MATERIAL COST CHANGES

ASPHALT SHINGLES

▼ **0.6 %**

COPPER WIRE

▲ **0.1 %**

DRYWALL

▼ **4.3 %**

FELT PAPER

▼ **0.5 %**

INSULATION

▼ **1.7 %**

LUMBER

▲ **5.6 %**

PLYWOOD

▲ **17.3 %**

READY MIX

▼ **0.5 %**

COPPER PIPE

▶ **0.0 %**

Non Cost Data Changes – Material Updates

The following new materials were added to RCT 4.x:

- Retaining Wall, Brick (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Block (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Brick & Block (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Poured Concrete (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Railroad Tie (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Stone Veneer (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Fieldstone (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Stacked Boulder (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Gabion (Square Feet) (Attached Structures, Other Attached Structures)
- Retaining Wall, Timber/Wood (Square Feet) (Attached Structures, Other Attached Structures)
- Mantel, Carved Granite (Each) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Carved Marble (Each) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Carved Onyx (Each) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Cast Stone (Each) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Hardwood (Each) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Precast Plaster (Each) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Carved Granite, LF (Linear Feet) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Carved Marble, LF (Linear Feet) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Carved Onyx, LF (Linear Feet) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Cast Stone, LF (Linear Feet) (Interior Features, Fireplaces & Wood Stoves)
- Mantel, Precast Plaster, LF (Linear Feet) (Interior Features, Fireplaces & Wood Stoves)

About CoreLogic

CoreLogic (NYSE: CLGX) is a leading global property information, analytics and data-enabled services provider. The company's combined data from public, contributory and proprietary sources includes over 3.5 billion records spanning more than 50 years, providing detailed coverage of property, mortgages and other encumbrances, consumer credit, tenancy, location, hazard risk and related performance information. The markets CoreLogic serves include real estate and mortgage finance, insurance, capital markets, and the public sector. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and managed services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. Headquartered in Irvine, Calif., CoreLogic operates in North America, Western Europe and Asia Pacific. For more information, please visit www.corelogic.com.

TECHNICAL SUPPORT: 1-888-367-8324
7 A.M. TO 7 P.M. CT • MSBHelpdesk@msbinfo.com



© 2015 CoreLogic, Inc. All rights reserved.

CoreLogic, the CoreLogic logo, RCT, and RCT High Value are trademarks of CoreLogic, Inc. and/or subsidiaries. All other names and brands are property of their respective owners

Not to be distributed or used for any purpose other than your internal consideration of reconstruction cost trends.