What's causing the higher-than-usual increase in property value-ups at renewal?



A perfect storm of market forces has driven up the cost of construction – and with it the cost of insuring real property for repair and replacement. Higher property value-ups offset these inflationary factors and keep your customers' businesses insured to value so we can make them whole in the event of a loss.



A shortage of skilled labor

The construction industry is currently facing a shortfall of at least 200,000 skilled trade workers. More than 55% of surveyed builders report a skilled labor shortage.

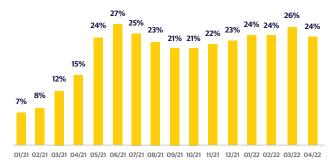
Sources: Home Builders Institute. National Association of Home Builders

## Skyrocketing construction costs

Nonresidential construction costs have risen dramatically – more than 20% over the past year.

Source: Producer Price Index: Net Inputs to New Nonresidential Construction

Increase in nonresidential construction cost vs. prior year

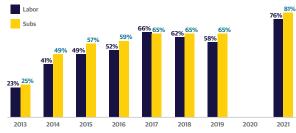


**Higher materials costs** 

Lumber costs have played an outsized role in that increase, more than tripling since early 2020.

Source: Nasdaq

## Percent of remodelers reporting direct labor and subcontractor shortages for 12 trades'



\* Carpenters (rough), carpenters (finished), electricians, excavators, framing crews, roofers, plumbers, bricklayers/mason, painters, weatherization workers, MAC workers, and buildion minitanance management



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