

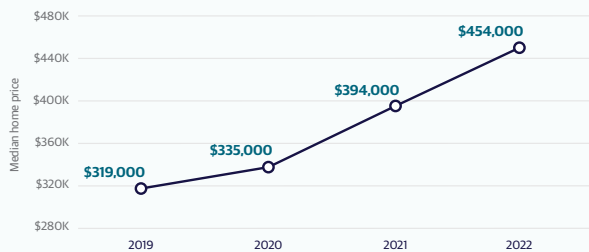
HOMEOWNERS

What's driving up the cost of home insurance?



A perfect storm of market trends has driven up the cost of building homes - and with it the cost of insuring them for repair and replacement.

Median price of new homes sold (U.S.), 12-month average



Low housing inventory and historic demand

In March 2023, there were only 980,000 unsold homes on the market, down 34% over the past three years. As a result, the median price of homes sold in the U.S. has surged 42% since 2019.

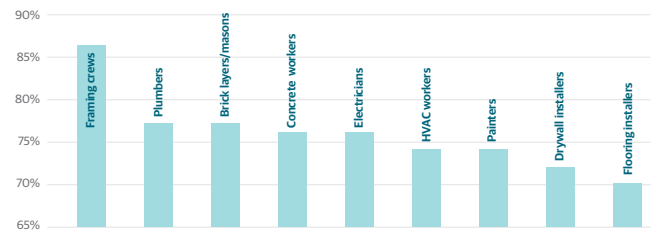
Sources: National Association of Realtors, Federal Reserve Bank of St. Louis

A shortage of skilled labor

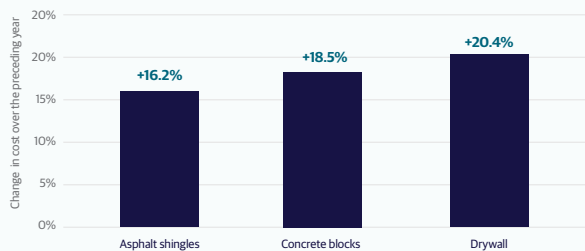
The home-building industry is facing a shortfall of more than 300,000 skilled trade workers. The majority of surveyed builders report a severe skilled labor shortage.

Source: Home Builders Institute

Percentage of builders reporting a labor shortage, by skill



Key construction materials (March 2023)



High materials costs

Building materials costs skyrocketed during the COVID-19 pandemic and have not returned to pre-pandemic levels. In 2022, overall costs rose 4.7% - reflecting the particularly high cost of certain materials like asphalt shingles, concrete blocks and drywall.

Source: CoreLogic

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