

# 2022 Rebuilding Prices Reach New Heights



Is your property insured for the amount of money it would cost to rebuild it? With rising inflation, ongoing supply chain disruptions, and labor shortages, the cost of rebuilding a rental property has skyrocketed. Take a look at this price comparison from 2019 to 2022.



## General Inflation

- In June 2019, the consumer price index (CPI) was **256.14**.
- By June 2022, it had risen to **296.31**.
- That's an increase of more than **15.5%**.



## Construction Inflation

- In June 2019, the producer price index (PPI) for residential construction inputs was around **115**.
- By March 2022, it had climbed to **160**.
- That's an increase of **39%**.



## Material Inflation

From June 2019 – March 2022:

- Softwood lumber: **162%** increase
- Steel products: **71%** increase
- Gypsum products: **33%** increase
- Ready-mix concretes: **12%** increase

### Average Construction Cost for a 2,600 Sq. Ft. Home\*

in 2019: \$296,652  
in 2022: \$390,000 = **31.5% INCREASE**

If your policy limits haven't grown with rising costs, you could face unexpected out-of-pocket expenses for large claims. At Millers Mutual, we work closely with your agent to ensure you have the right coverage to protect your rental property business. Visit [millersmutualgroup.com](https://millersmutualgroup.com) or call us at **800-745-4555**.

\*Excludes finished lot costs, which vary widely by area.

Sources: U.S. Bureau of Labor Statistics, National Association of Home Builders, Statista, Federal Reserve Economic Data (FRED®) - St. Louis Federal Reserve, Forbes