

What to know about current inflation trends

How home market conditions can affect you — even when you're not buying or selling

When it comes to your most valuable assets, you need an insurance carrier you can rely on. Nationwide Private Client is committed to providing you with proper protection now and into the future. Part of that commitment is working with trusted sources to constantly monitor changing market conditions and keeping you informed about trends that may affect you.

Over the last twenty-four months, the housing and reconstruction markets have experienced unprecedented change on a national and global scale. These shifts have had a direct impact on home replacement costs and homeowner premiums throughout the insurance industry.

Factors affecting home replacement costs

Construction materials have risen substantially year over year²



Rising construction labor costs^{1,2}

- COVID-19 pandemic increased home remodeling, which led to a demand surge and worker shortages⁸
- Skilled labor wages increased 5.5%^{1,2}

Construction material shortages and delays¹

- Caused by severe weather and global supply chain issues

Construction demand continues to increase¹

- Illustrated by an increase in construction permits of 25% year over year

Changes to building codes

- Governing authorities set new requirements for safety and building standards which have increased cost to property reconstruction⁹

In addition to causes that directly impact rebuilding costs, other current events are affecting housing inflation trends.



Wildfires, storms and other catastrophes

We are experiencing more frequent and severe catastrophes, including wildfire and hurricanes.³

30
named storms, record-setting wildfires,
and severe windstorms were recorded in 2020⁵

\$100B
U.S. total cost of weather disasters in 2020⁴



Surges in nonweather water damage

Nearly

1 in 4
insurance claims are filed for
nonweather water damage⁶

\$8.24B
U.S. property losses due to nonweather
water damage each year⁷

1 in 50
homes experience water damage or
frozen pipes annually⁷

If you have questions regarding this information or want to learn more about the benefits of your Nationwide Private Client Homeowners Policy, talk to your agent today.

¹Verisk, Pandemic quickens diversification of supply chains beyond China" and "Bloomberg, Shipping Containers Fall Overboard at Fastest Rate in Seven Years, 4/26/21

²CoreLogic, U.S. National Building Cost Trends, 3rd Quarter 2021 (pdf)

³Climate.gov, Frequently asked Questions

⁴Noaa.gov, Billion Dollar Weather and Climate disasters Overview

⁵iii.org, As national CAT losses mount, a resilience mindset matters more than ever, 7/22/21

⁶Nationwide Private Client loss data

⁷"WaterRisk™: The first and only predictor of non-weather water claims," CoreLogic/Location Inc., locationinc.com/water-risk-data, 2/11/21

⁸Joint Center for Housing Studies of Harvard University, Pandemic has been a boon for U.S. home improvement, 3/25/21

⁹Constructiondive.com, Home building costs soar due to government regulations, material price increases, 5/18/21