

The Cornerstone

A quarterly newsletter from the Appraisal Department of Catholic Mutual Group



COMMITMENT * EXPERTISE * STABILITY

70 Diocesan Members Appraised since 2005

Since 2005, more than 70 diocesan members have chosen to have their properties appraised by an independent appraiser who has a working relationship with Catholic Mutual Group. This allows the appraisal to be completed with consistency and supported methodologies, identical software and programs, and also allows the values to be updated annually utilizing Catholic Mutual Group's unique recalculation process.

Catholic Mutual Group and the independent appraisers use software specifically designed for insurance purposes by CoreLogic (*formally Marshall & Swift /Boeckh*). These programs are component based and have the ability to calculate reconstruction costs for a specific type building occupancy in a specific zip code. The program is unique in that consideration is given to a number of site specific and process related costs that are experienced with rebuilding after a loss.

In addition, with the completion of a full Diocesan appraisal, all reports, appraisal data, and insurable values are accessible to members and Catholic Mutual employees on the Facility Appraisal System (FASt) located on the Catholic Mutual Group website.



New Construction Stats



Source: US Department of Labor, Produced Price Index

After posting many months of strong growth, the construction industry is showing signs of a slight slow down at the end of 2016. Quarterly increases in new construction of 8%-10% are now at a lesser rate of 5%—6%.

The decrease is tied to fewer housing starts, along with a slowing of public construction.

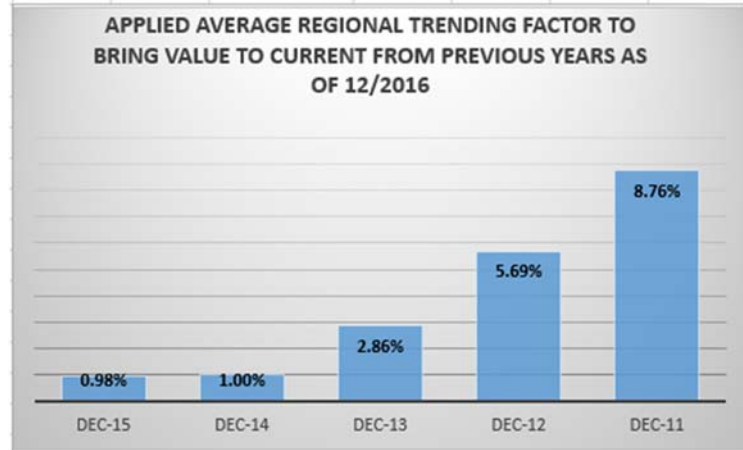
Construction material costs remain mixed, as lumber and concrete show minor increases in cost while copper and plastic piping are showing decreases in the past year. Overall costs seem to reflect a stable domestic market.

WHAT IS REGIONAL TRENDING?

For Diocesan members appraised prior to 2005, Catholic Mutual Group utilizes regional trending factors to update insurable property values annually. These factors are designed to bring previously established costs on buildings to current cost. Accurate indexes of general costs can provide reasonable present day costs when applied to good prior appraised values.

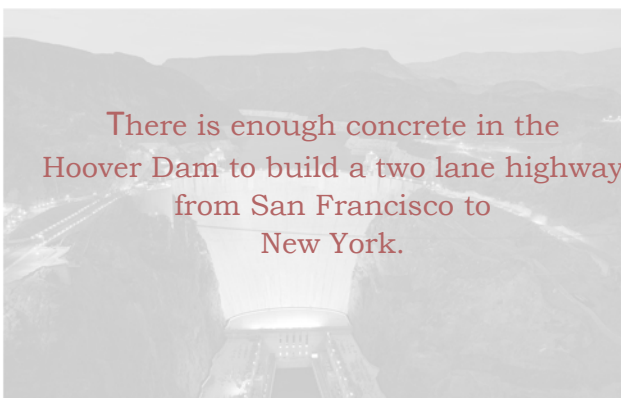
The factors are developed for 10 geographical regions in the United States, each region typically contains 3-7 states, with construction costs analyzed in 7-12 cities within that region. The factors, are provided by CoreLogic, adjusted on a quarterly basis to reflect building cost changes.

CoreLogic, is recognized as an authority in the appraisal field since 1932. The service provides a complete authoritative appraisal guide for developing insurance values in all 50 states and Canada. Their cost data is based on over 80 years of valuation experience, thousands of appraisals, and a continual analysis of the cost of new buildings. While regional trending factors are still considered to be a reliable source in updating insurable property values over shorter periods of time, Catholic Mutual Group's studies have shown that due to these factors being more "general" in nature, values on the more ornate type structures lose their reliability over a much shorter period of time, in many cases just 3 to 5 years. Values on more "typical" type built structures have shown a greater reliability up to 5-10 years, depending on the quality and complexity of the building. Studies consistently indicate that "all trended values" over longer periods of time (10+ years) lose accuracy and become less and less reliable as years go by.



Source: CoreLogic

Crazy construction facts

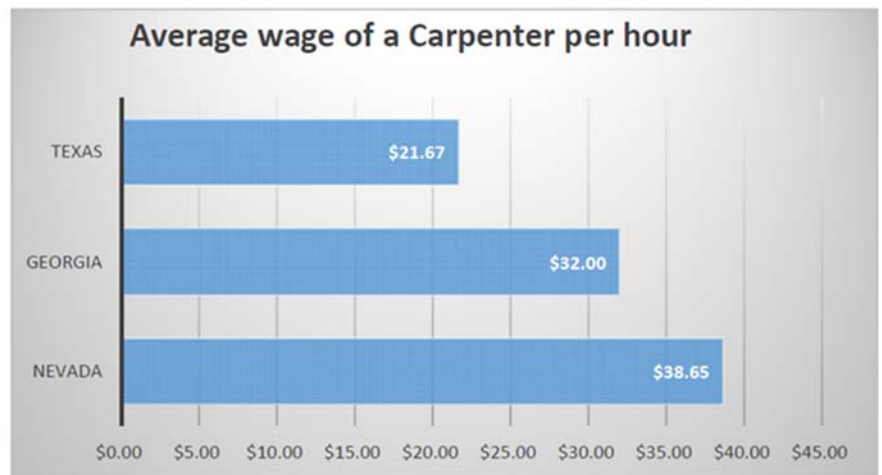




LABOR SPOTLIGHT

According to Design Cost Data magazine, a recently completed elementary school in Cibola, Texas, a San Antonio suburb, was built for \$175.00 per square foot, the same school in Atlanta, GA would cost \$192 per square foot to build, while in Las Vegas, NV, the cost would escalate to \$227 per square foot.

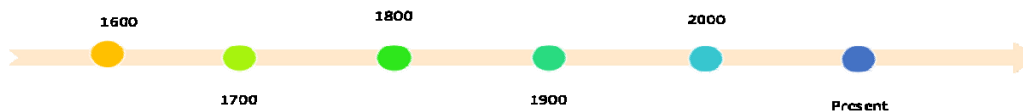
The table indicates the average wage of carpenters in the three states discussed and it's correlation in higher costs to build in various parts of the U. S.



Davis-Bacon labor rates as of 11/2016



EVER WONDERED ABOUT THE ORGINS OF STAINED GLASS IN AMERICA?



The oldest known examples of multiple pieces of colored glass date back to St. Paul's monastery in Jarrow England, which was founded in 686 AD. The Romans started to glaze colored pieces of glass into windows in the first century as well.

As the settlers arrived in America, glass making was one of the first industries set up in Jamestown VA, in 1607. By the late 1630's, small house windows of colored glass were found in many communities. It is interesting to note that in 1656 a New York Church contracted two window makers to install windows in their church; the price was two beaver pelts for each window.

By 1850 several important glass studios had been established in America, these studios would be the catalyst to propel the industry into the future. At the same time a stained glass revival was

There is a 150 year old mosque in Iran that, when viewed from the interior at certain hours of the day produces an intense kaleidoscopic effect due to its unique pattern of tiling and colored glass

CATHOLIC MUTUAL GROUP

Catholic Mutual Group was established as The Catholic Mutual Relief Society of American in 1889 by a group of Midwest Catholic bishops who were unable to obtain reasonably priced, reliable insurance on their churches. The bishops worked together to form a mutually protective organization which would help repair or rebuild damaged church properties. From these humble beginnings, Catholic Mutual Group has grown to be the largest provider to the Catholic dioceses, religious orders and other Catholic institutions, including schools, retirement facilities, counseling centers and human service programs in North America.

FUN FACT— The Colosseum in Rome, Italy, is an elliptical amphitheater that was completed in 80AD. It held around 50,000 spectators and was used for a variety of events including gladiator contests, animal hunts and mythology based dramas.



(con't from page 3)

taking place in Europe, the industry exploded with the wealthy building castles modeled after gothic novels. The Church aimed at restoring high ideals with the elaboration of worship and of the buildings themselves. Studios recognized the need to provide restoration of existing antique glass as well as designing new types of glass.

In the late 1800's, John LaFarge invented an opalescent stained glass. The glass created highlights, shadows, and complementary muted tones to adjacent colors. Glass studios quickly recognized the potential of using this new material to depict figures in natural settings.

By the early 1900's several U. S. studios were flourishing, with business at an all-time high, windows were being designed with the rich colorful opalescent glass, well known architects integrated stained glass windows into building designs, Chicago based Louis Sullivan recognized at the time as one of America's greatest architects, designed geometric windows in many of his projects. In Europe studios were designing newer looking windows with splendid colors and vivid figures.

With the onset of the great depression and World War II the making of stained glass worldwide diminished, it was not until after the war that a new demand for stained glass re-occurred. Europe began to develop and design an even more modern contemporary look to the glass. The influx of books and magazines then led to the U.S. studios following the European trend. By the 1950's many American studios had begun to make windows utilizing new exciting techniques, including etching, sandblasting, gold leaf overlay, beveled and faceted glass.

It's important to note that prior to 1960 the only way to learn how to make stained glass was to serve as an apprentice, however, with the social changes of the decade, colleges began to offer programs on the designing and making of stained glass. Today, select fine arts programs at colleges and universities teach the art of stained glass making.

In the past 20 years the expansion of stained glass studios has increased substantially. The Stained Glass Association of America membership includes over 500 studio owners and over 300 manufacturers. In Europe, another revival has begun, and the art of stained glass making as a hobby has taken off, with one publication serving the market exclusively with over 15,000 subscriptions. Stained glass is recognized as an art form and with its innovative designs will continue to flourish for many years to come