

360Value Quarterly Reconstruction Cost Analysis

Q1 2026: United States



This report provides reconstruction cost trends at the national and state levels. The 360Value® Quarterly Reconstruction Cost Analysis is derived from building cost research conducted by Verisk using the industry-leading Xactimate® estimating solution.

All costs, percentages, increases, decreases, etc., are calculated as percentage changes from January 2025 to January 2026 unless otherwise noted.

Reconstruction cost trends stay flat

Total reconstruction costs in the United States, including materials and retail labor, increased by 3.8% from January 2025 to January 2026, down from January 2024 to January 2025 (5.0%). Cost growth in Q4 2025 was unchanged from the previous quarter at 1.0%.

Residential reconstruction costs

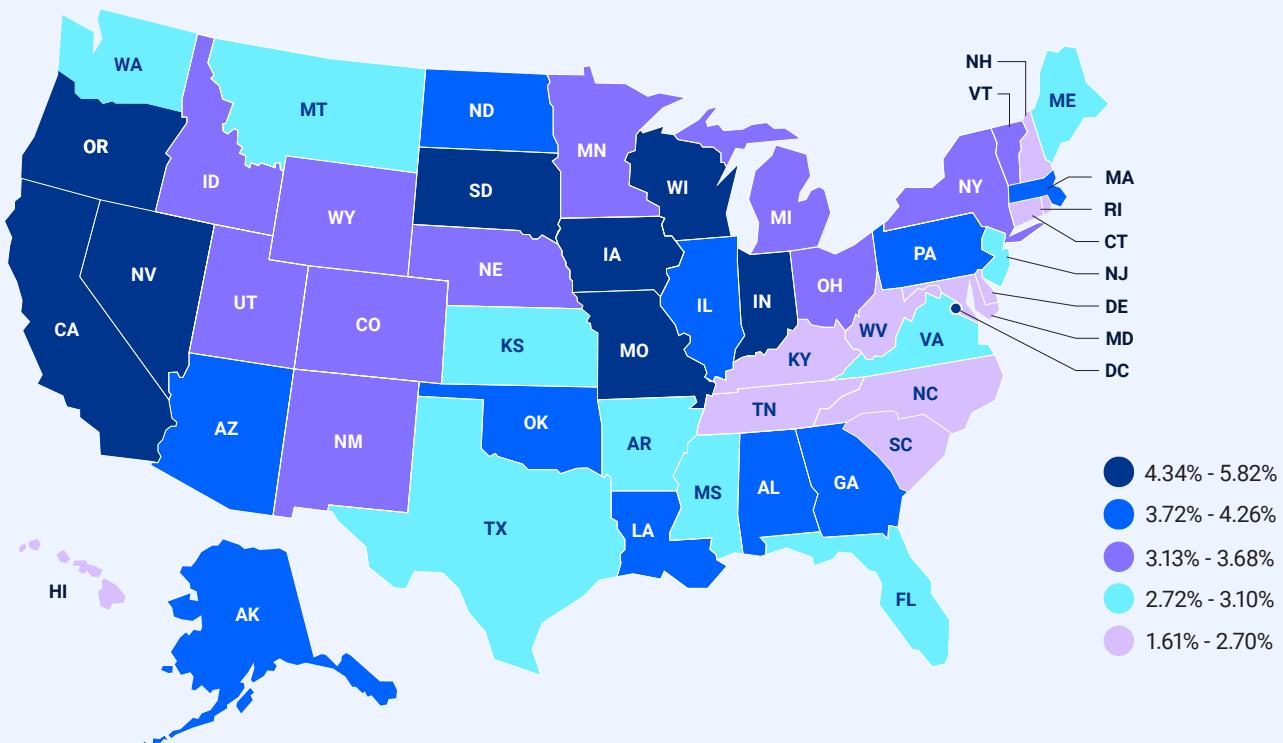
Total residential costs increased by 3.5% from January 2025 to January 2026 and 0.9% from October 2025 to January 2026. Residential reconstruction costs increased year-over-year in all states. The District of Columbia had the largest increase at 5.82%, followed by Oregon at 4.96% and Indiana at 4.84%.

Arizona's rank rose most significantly, from 30th in October 2025 to 11th in January 2026; costs were up 4.26% in the

state year-over-year. Michigan followed with a rise from 38th to 22nd—tied with Vermont—as both states' costs increased 3.58%. Vermont and Pennsylvania each jumped 13 places, with the latter reaching 20th place on a 3.72% increase.

Rhode Island had the largest drop at 32 places with a 2.29% increase. Maine fell 31 spots, from seventh to 38th, with a 2.79% increase, and South Carolina dropped from 20th to 43rd, with a 2.58% increase.

Changes in residential reconstruction costs by state

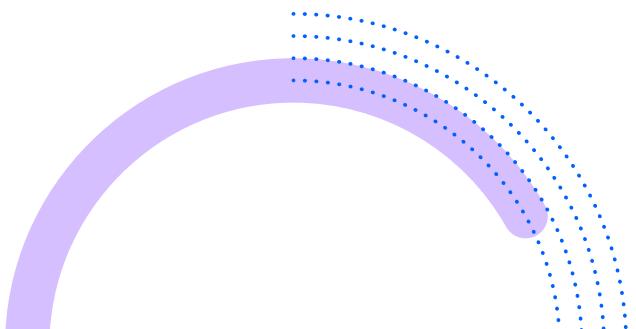


Commercial reconstruction costs

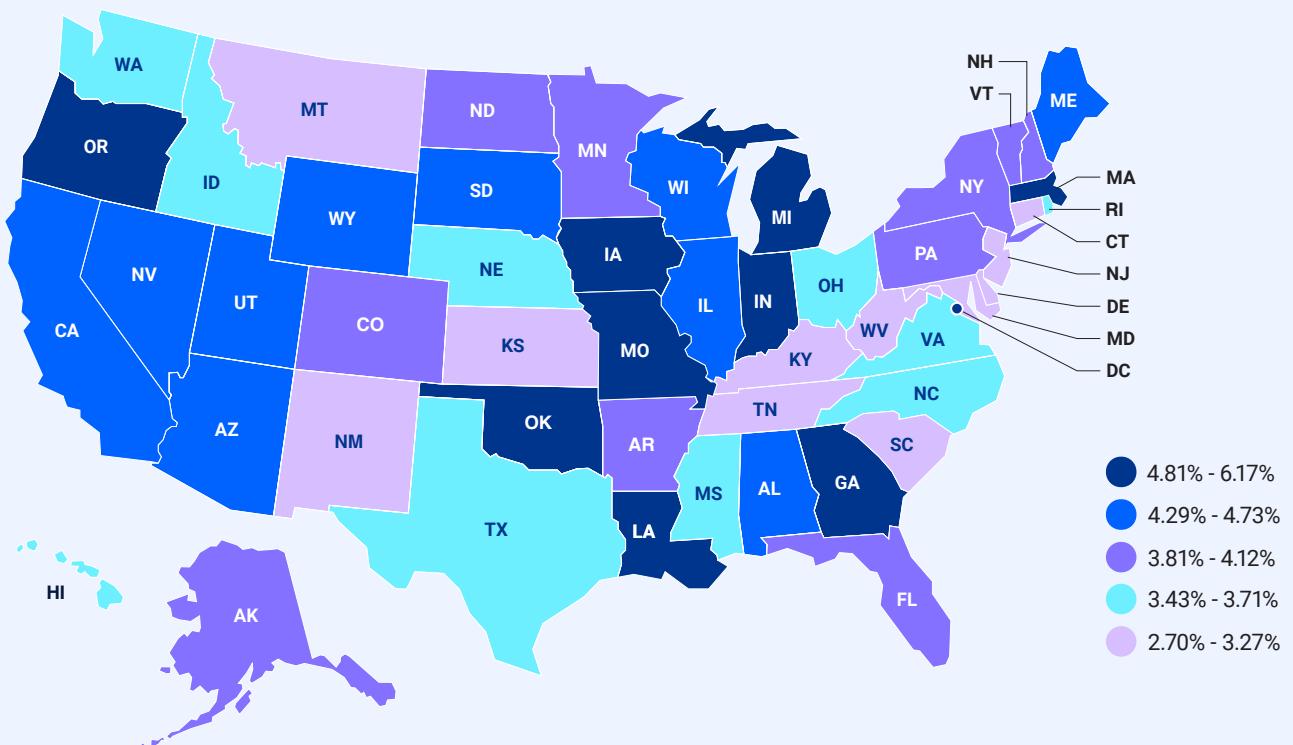
Total commercial reconstruction costs increased 4.1% from January 2025 to January 2026 and 1.1% from October 2025 to January 2026. Louisiana had the largest increase at 6.17%. Oklahoma and Missouri followed with increases of 5.98% and 5.64%, respectively.

Virginia had the most significant rank jump—from 49th to 31st. Oregon and Arizona both rose 17 places, from 24th to seventh and 30th to 13th respectively on increases of 5.09% and 4.67%. Wyoming's rank jumped from 35th to 19th with an increase of 4.44%.

As with residential costs, Rhode Island experienced the most significant drop, falling 26 places from fifth to 31st with a 3.71% increase—tied with Washington, which dropped 22 places from ninth with a 3.28% rise. South Carolina fell from 28th to 48th with a 2.97% cost increase.



Changes in commercial reconstruction costs by state



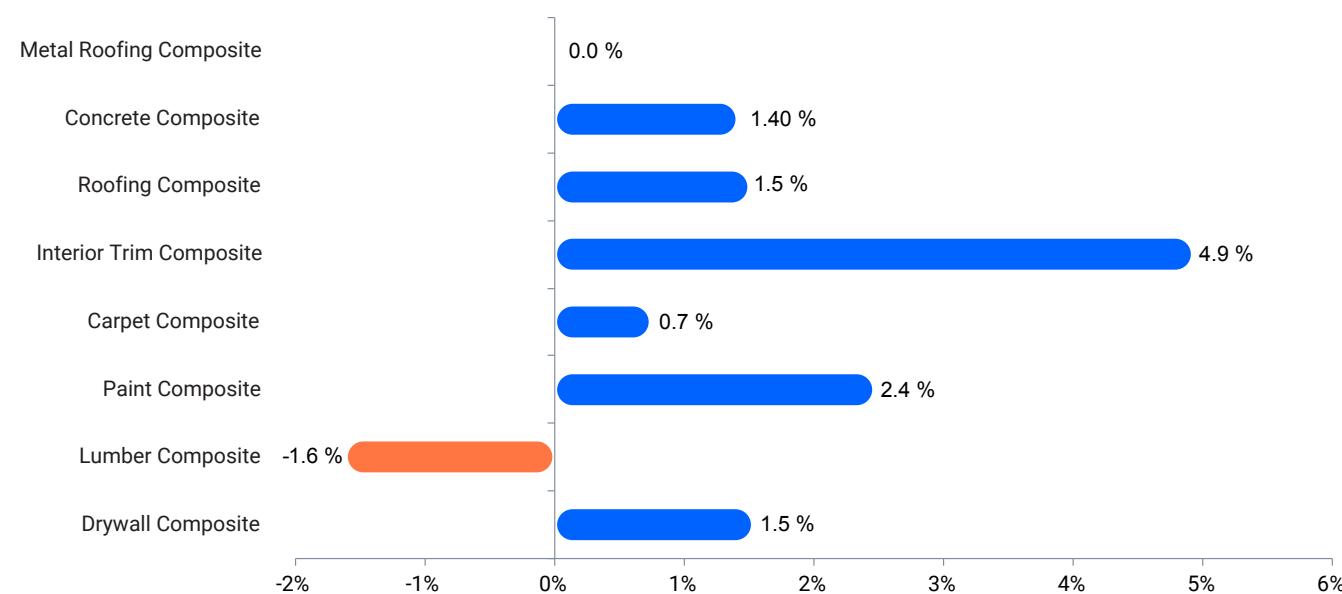
Material cost analysis

Material costs rose by 3.26% from January 2025 to January 2026. Material costs increased 1.49% over the quarter.

January was the only month to have an increase in material costs this quarter, increasing 1.61%. The largest decrease was in November, 0.11%. The increase in January was mainly due to the cost of evaporator coils and AC unit line sets.

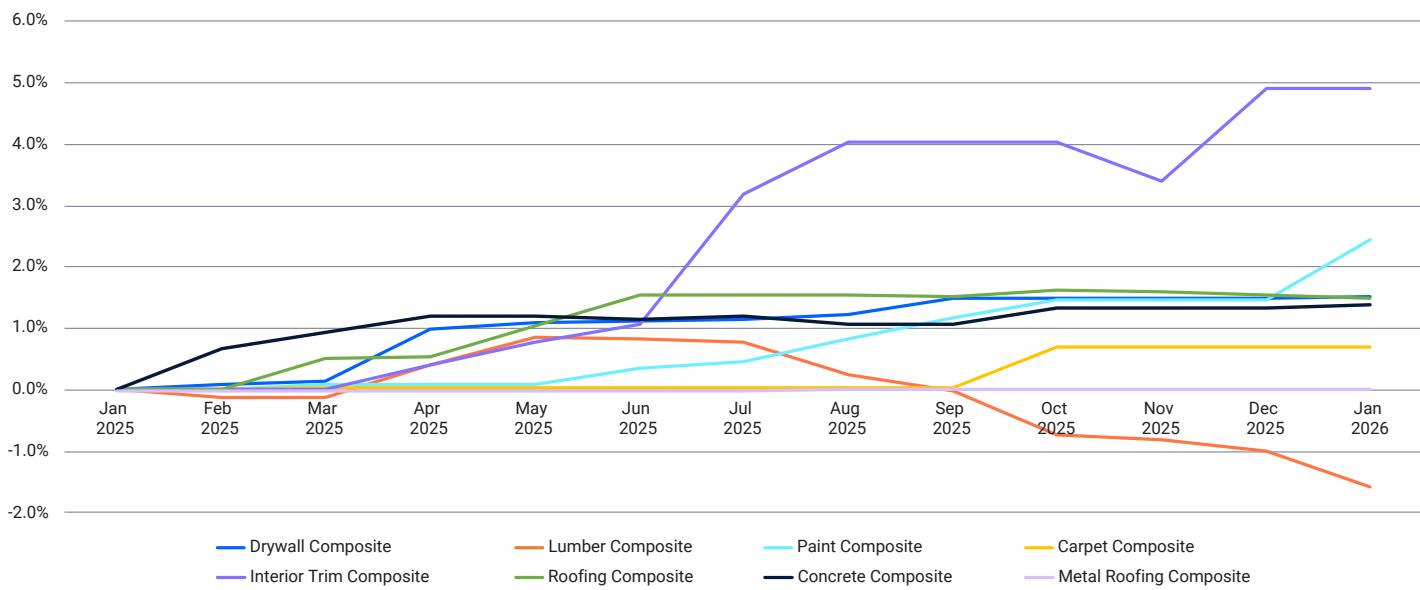
Interior trim material had the most significant yearly increase in the United States at 4.9% after a yearly increase of 4.0% noted in the prior quarter's release of this report. Paint material increased the most in the United States over the past quarter, rising 0.96%; it also showed the largest increase in the last release. Lumber material had the most significant decrease over the quarter, down 0.86%, and was the only core material to show an annual decrease, dropping 1.6%. Roofing was the only other material to decrease over the quarter, falling 0.12% but still up 1.5% annually.

Annual percentage change in material composite costs



Year-over-year changes in material composite costs are broken down by category. (Source: Verisk data)

Percentage change in costs by month



Trends in materials composite prices by category and month
(Source: Verisk data)



Labor cost analysis

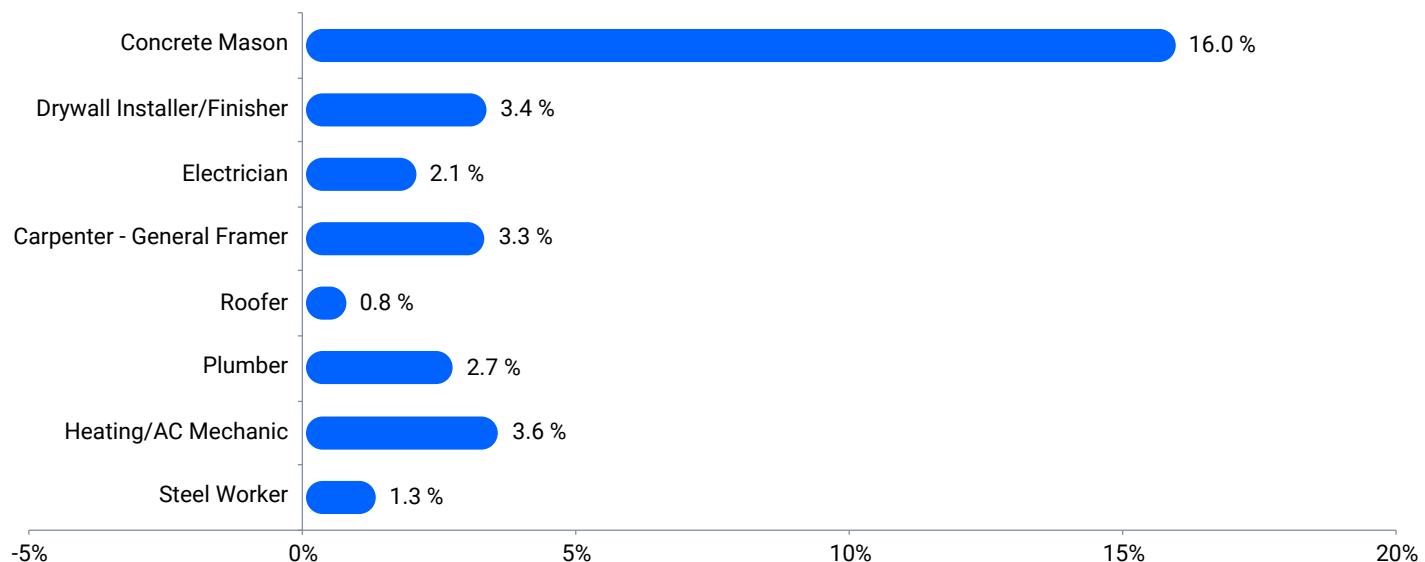
Combined hourly billable labor costs increased by 4.21% from January 2025 to January 2026. The quarterly change was 1.14% compared with last quarter's 1.12% increase.

Billable labor costs remained stable over the quarter, with monthly increases ranging from 0.36% to 0.45%.

This quarter, labor costs had the most significant monthly growth in October, increasing 0.45%.

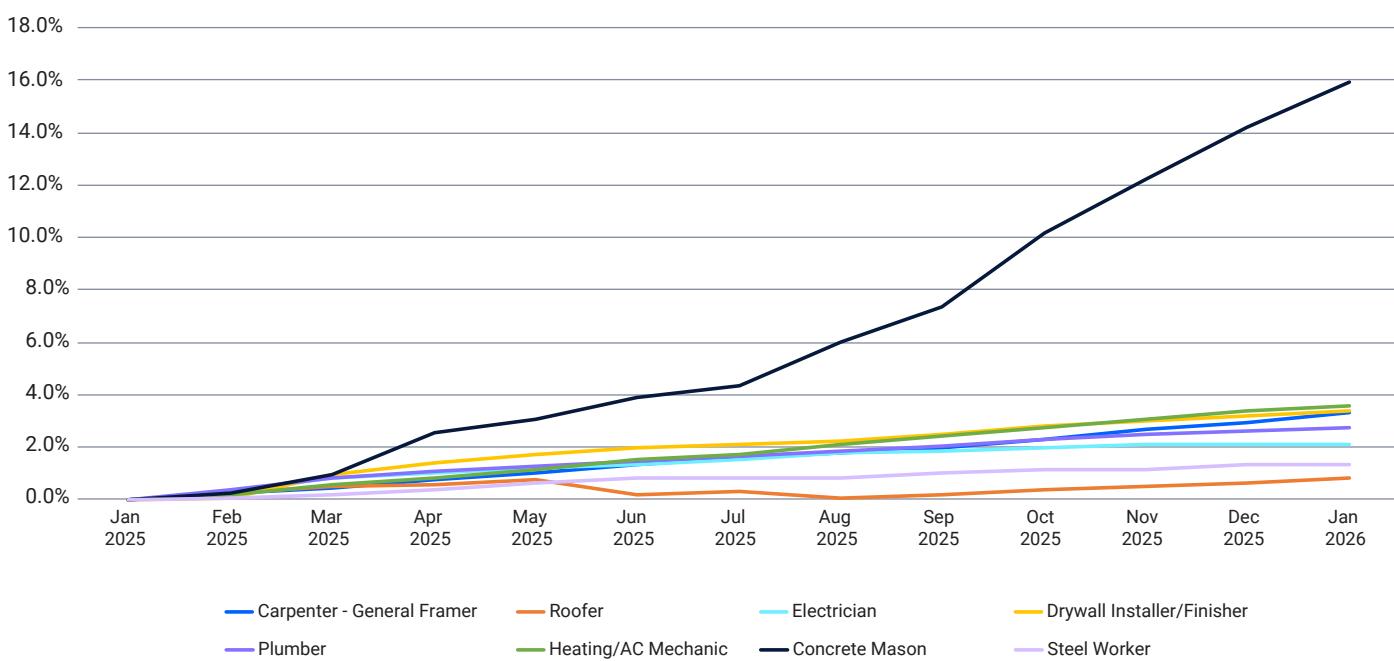
Concrete masons had the most significant quarterly change in the U.S., increasing 5.26%, followed by carpenter-general framers, which increased 1.03%. Concrete masons also have the largest yearly change, rising 16.0%, followed by heating/AC mechanics, which increased 3.6%.

Annual percentage change in retail labor rates



All but one labor category saw 12-month increases of less than 5%.
(Source: Verisk data)

Percentage change in costs by month

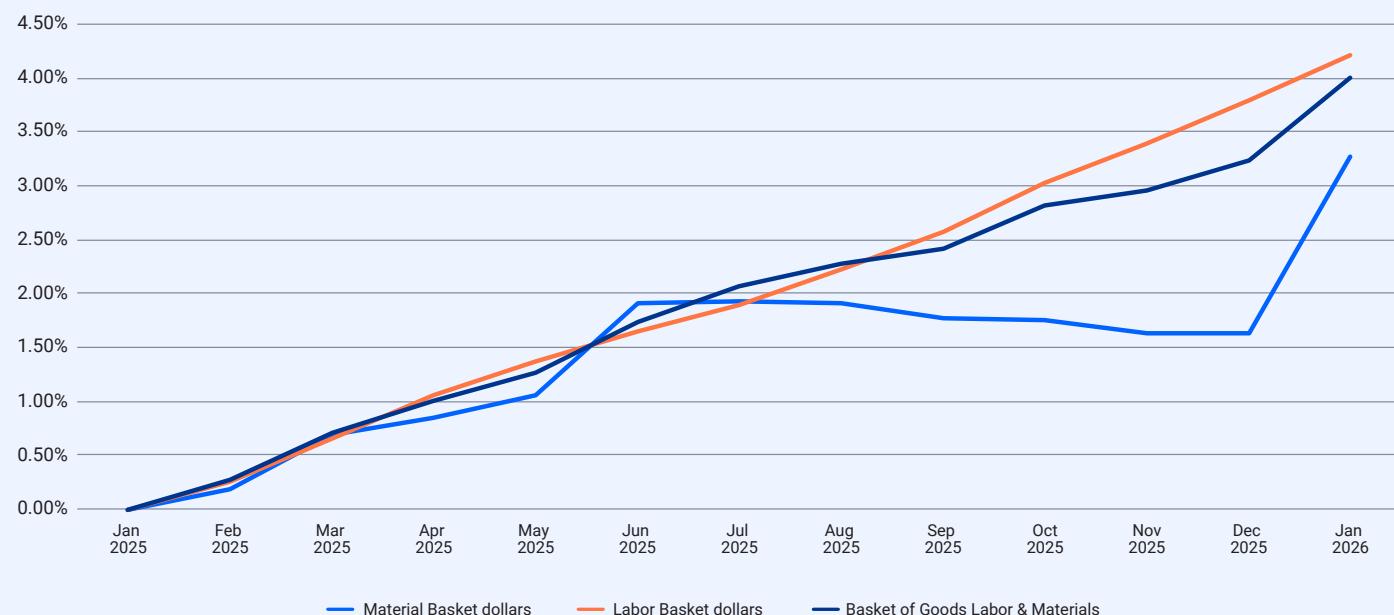


Rates for concrete masons outpaced the next-highest-rising group by more than 12 points. (Source: Verisk data)

Labor and materials in aggregate

Relative increases in materials and labor followed a typical pattern in the latest reporting period. Labor costs grew 4.21% from January 2025 to January 2026, while material costs rose 3.26% in that time frame.

Changes in cost for labor, materials, and labor + materials by month



About this report

The **360Value Quarterly Reconstruction Cost Analysis** is derived from building cost research conducted by Verisk using the industry-leading Xactimate® estimating solution. Our comprehensive research process includes real-time feedback on reconstruction costs from tens of thousands of contractors and claims adjusters, extensive material and labor cost surveys, and analysis of more than 5.8 million actual damage repair estimates for claims each year. **Verisk Property Reports** provide expert analysis on North American trends, including claims, construction indicators, and repair rates, using data from Verisk Pricing Data Services and XactAnalysis®, to help the property restoration industry understand past performance and plan for the future.

Verisk also updates reconstruction costs monthly to support providing reliable and timely pricing information. The data contained in this report should not be used as the basis for underwriting, coverage, rating, or renewal decisions, as changes in replacement costs vary dramatically at the individual property level.



Explore what's next in property risk innovation.

Discover how Verisk is advancing reconstruction cost intelligence, property data, and underwriting innovation in our latest Innovations Brochure.



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