



360Value Quarterly Reconstruction Cost Analysis

Q2 2023: 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.

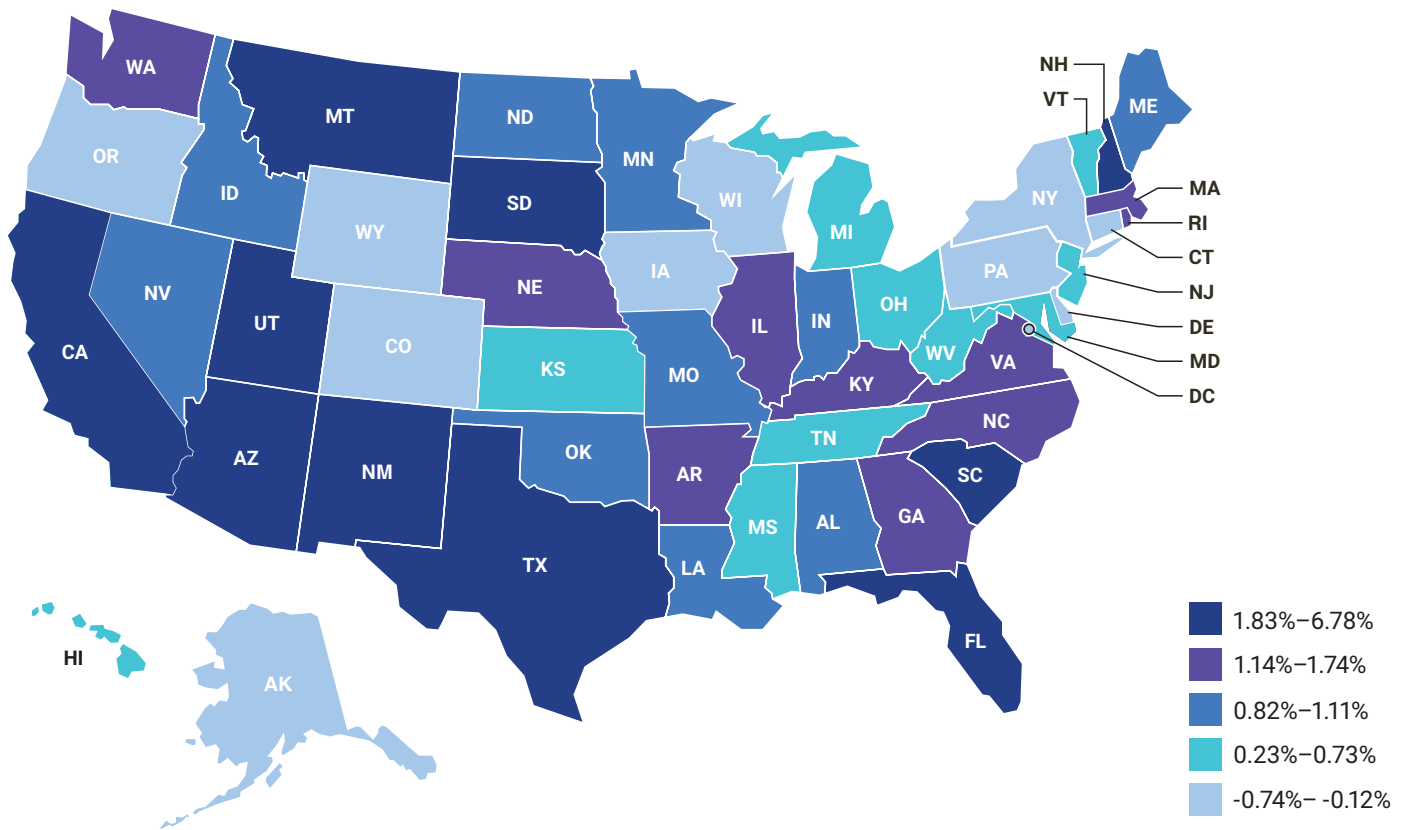
Reconstruction cost dips signal increased market stabilization

Total reconstruction costs, including materials and retail labor, increased 3.1% from April 2022 to April 2023. This drop follows the 6.8% increase from January 2022 to January 2023. Cost increases continue to slow down and steady.

Lumber, a key driver of reconstruction cost peaks in recent years, has decreased for the last 12 months. Lumber continues to stand as the only category in the negative, declining 37.3% year-over-year. Interior trim increased the most, rising 18.9%. On the labor side, concrete mason costs increased by 11.4%, the highest of the labor categories. Quarterly reconstruction costs increased by 1.4%, a slight shift from the 0.9% increase last quarter.

Residential Reconstruction Costs

Florida had the largest increase at 6.8%, followed by Utah (4.2%) and New Mexico (4.0%). California's rank changed most significantly, rising from the 33rd-highest cost increase in January 2023 to the seventh-highest in April 2023; costs were up 2.4% in the state. Delaware saw a decline year-over-year, at -0.7%. Residential costs, in total, increased 1.1% from April 2022 to April 2023 and 0.8% from January 2023 to April 2023.

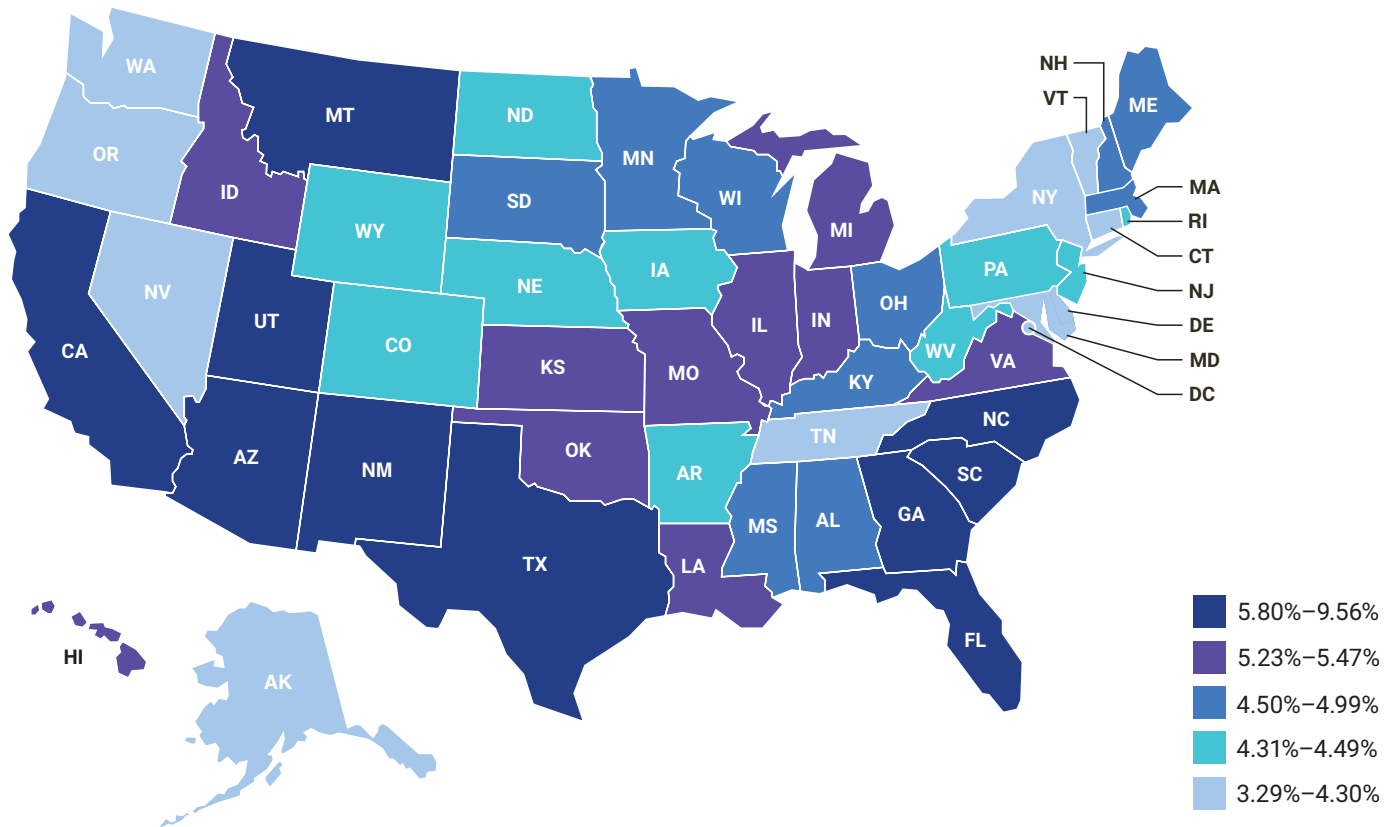


Changes in reconstruction costs by state
States are grouped in quintiles; each range/color in the legend includes 20% of the total number of states.

*All rates, percentages, increases, decreases, etc., are calculated as percentage changes from April 2022 to April 2023 unless otherwise noted.

Commercial Reconstruction Costs

Every state saw higher commercial reconstruction costs. Utah had the largest increase at 9.6%, followed by Florida (9.0%) and New Mexico (7.7%). Washington D.C. had the largest shift in rank, down from the 17th-highest cost increase in January 2023 to the 47th-highest in April 2023, with prices rising 4.1% year-over-year. Alaska fell to last place, with costs increasing 3.3% between April 2022 and April 2023. Commercial costs, in total, increased 5.1% from April 2022 to April 2023 and 2.0% from January 2023 to April 2023.



Changes in reconstruction costs by state

States are grouped in quintiles; each range/color in the legend includes 20% of the total number of states.

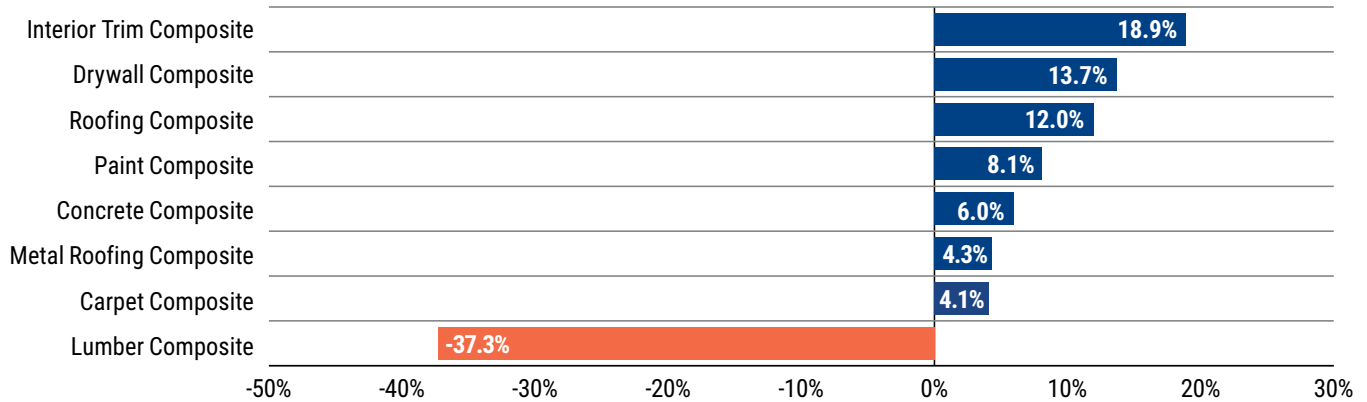
*All rates, percentages, increases, decreases, etc., are calculated as percentage changes from April 2022 to April 2023 unless otherwise noted.

Material Cost Analysis

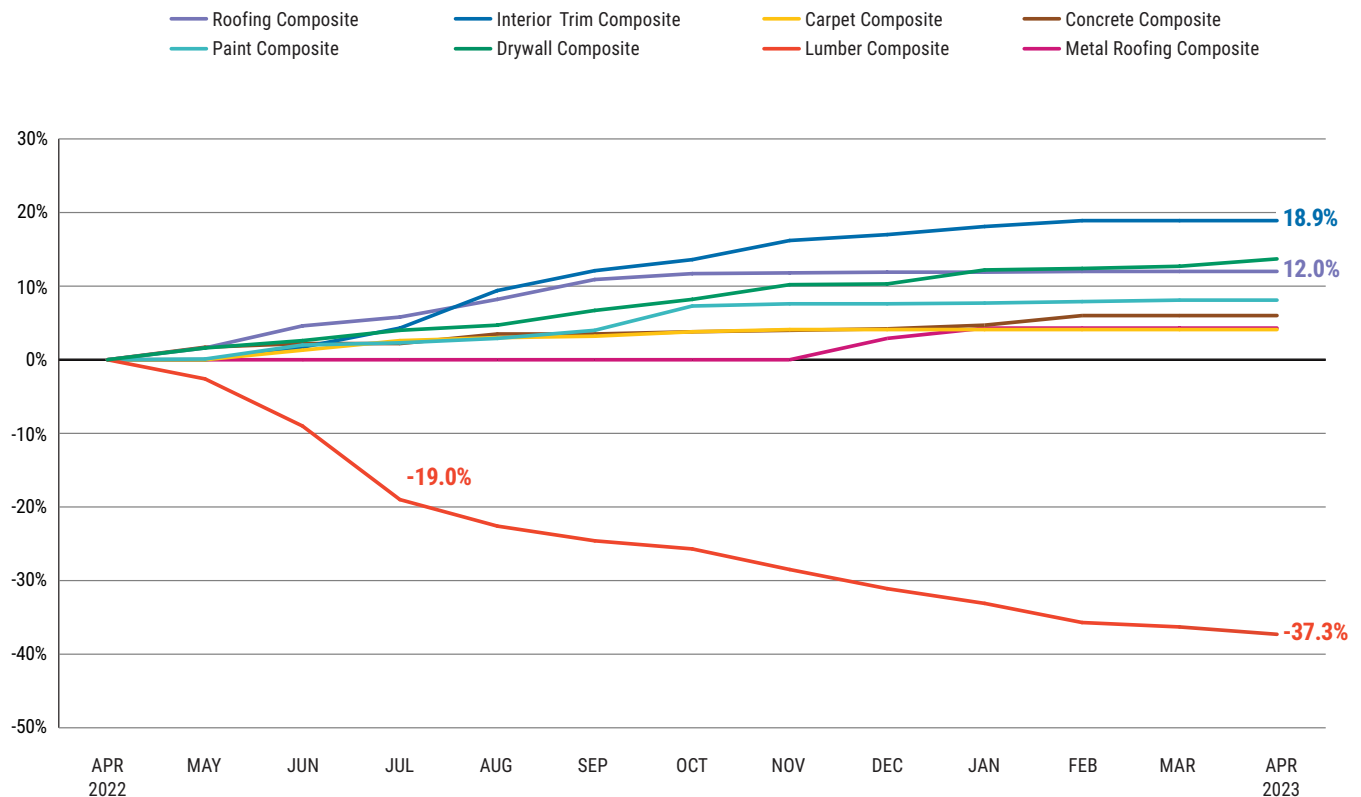
Combined costs for material composites decreased 4.2% from April 2022 to April 2023—a large dip following the 7.8% gain from January 2022 to January 2023. Interior trim was the primary driver of materials, increasing 18.9%. This is led by the costs of interior doors and crown molding. Drywall and roofing composites followed at 13.7% and 12.0%, respectively.

Lumber costs decreased consistently over the last year. The composite continues to stand as the only negative composite this quarter at 37.3%.

Percentage change in costs



Percentage change in costs by month

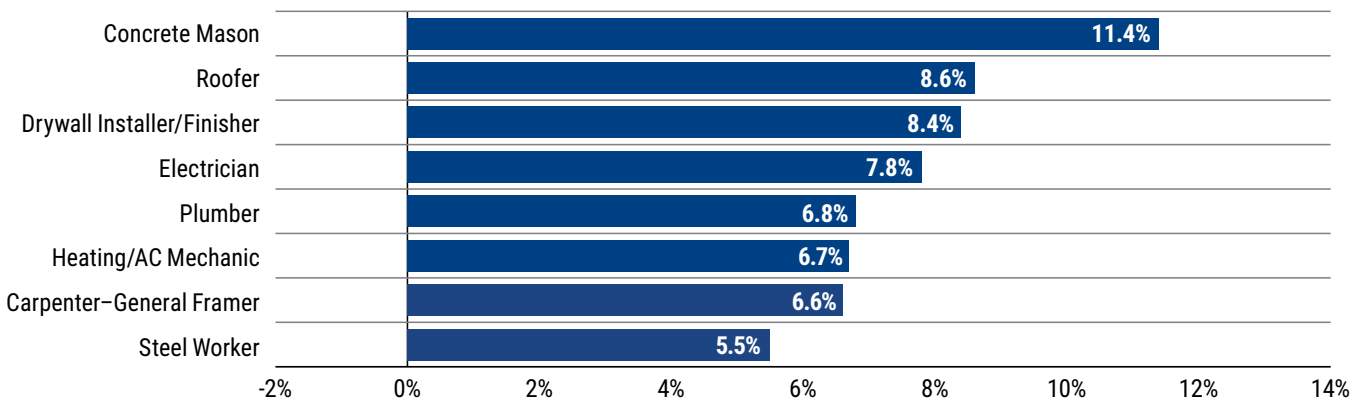


Labor Cost Analysis

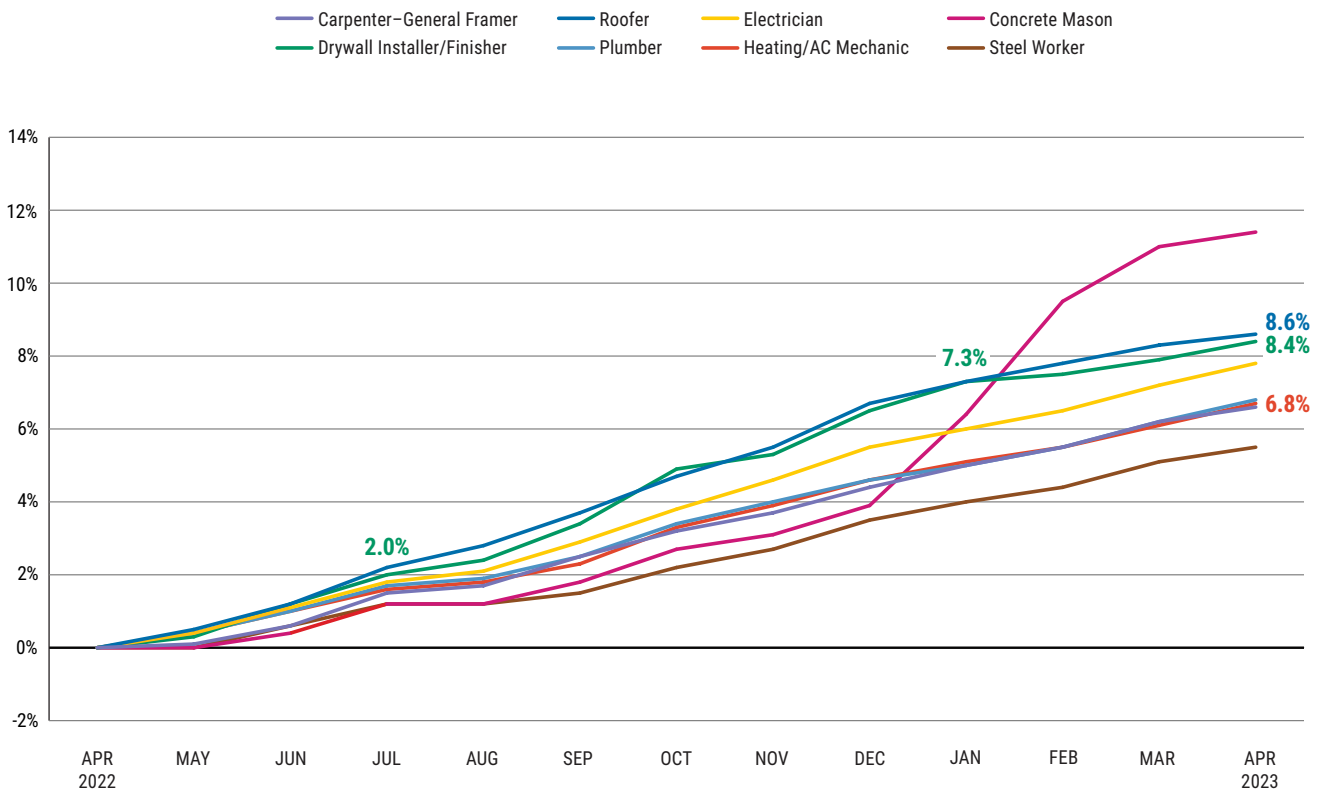
Combined hourly retail labor costs increased 8.6% from April 2022 to April 2023, on target with the 9.4% increase recorded from January 2022 to January 2023. Labor costs have remained on a steady incline for the last few years.

Concrete mason costs increased the most at 11.4%. Roofer (8.6%), drywall installer/finisher (8.4%), and electrician (7.8%) costs trailed behind. Plumber, heating/AC mechanic, and carpenter-general framer costs hovered in the 6% range. Steel worker costs increased the least, at 5.5%.

Percentage change in costs



Percentage change in costs 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 million actual damage repair estimates for claims each year.

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.



+1.800.888.4476, option 3 / info@verisk.com / verisk.com/360Value