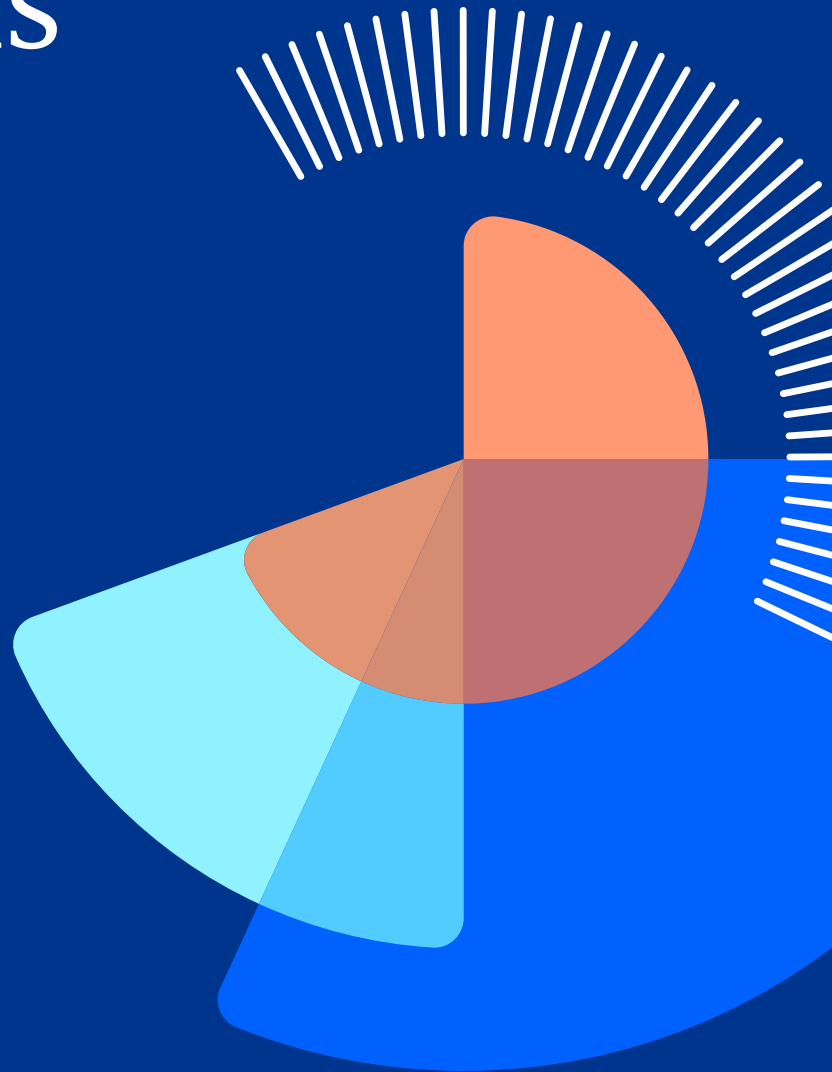


360Value Quarterly Reconstruction Cost Analysis

Q2 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 April 2025 to April 2026 unless otherwise noted.

Reconstruction cost trends decelerate

Total reconstruction costs in the United States, including materials and retail labor, increased by 3.6% from April 2025 to April 2026, down sharply from the 5.2% increase recorded from April 2024 to April 2025. Quarter-over-quarter cost growth was 0.8%, down from the previous quarter.

Residential reconstruction costs

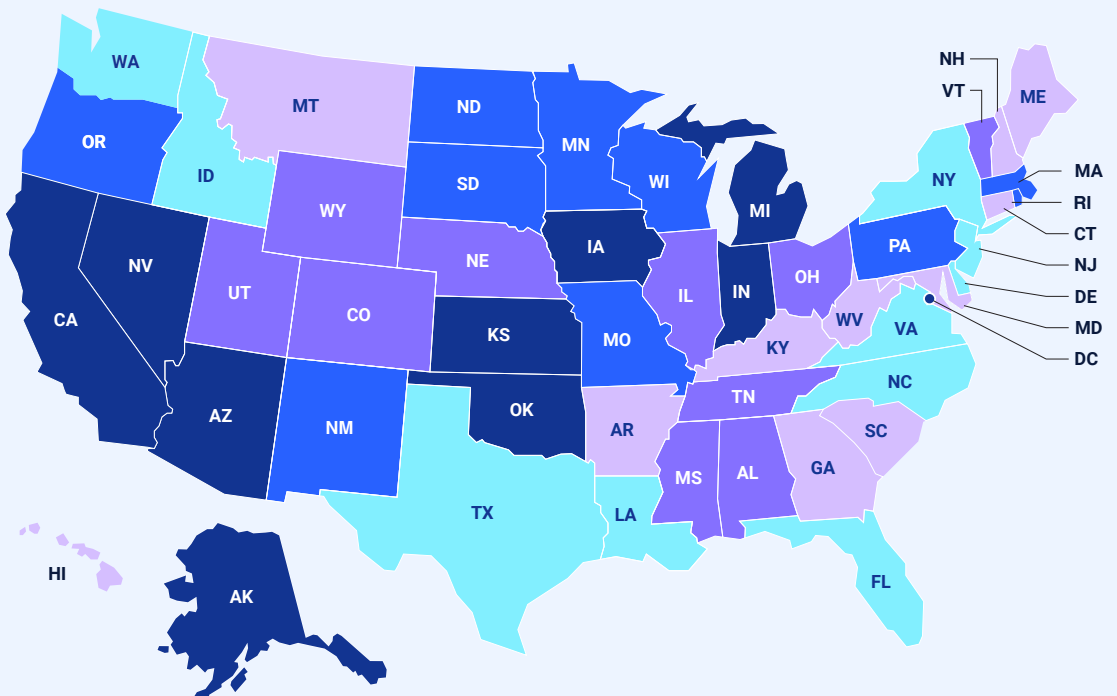
Total residential costs increased by 3.2% from April 2025 to April 2026 and 0.78% from January 2026 to April 2026. Residential reconstruction costs increased year over year in all states. The District of Columbia again had the largest increase at 5.67%, followed by Indiana at 4.61% and Kansas at 4.59%.

Rhode Island's rank rose most significantly, from 48th in January 2026 to 12th in April 2026; costs were up 4.03% in the state year over year. Kansas followed with a 30-place rise from 33rd to third. Tennessee jumped 19 places, from 47th to 28th, with a 2.92% increase.

Georgia had the largest drop, falling 37 places from 12th to 49th, with a 1.99% increase. Louisiana fell 21 spots, from 15th to 36th, with a 2.58% increase, and Arkansas dropped from 31st to 46th with a 2.28% increase.

Changes in residential reconstruction costs by state

- 4.15% - 5.67%
- 3.28% - 4.05%
- 2.90% - 3.24%
- 2.49% - 2.87%
- 1.73% - 2.48%



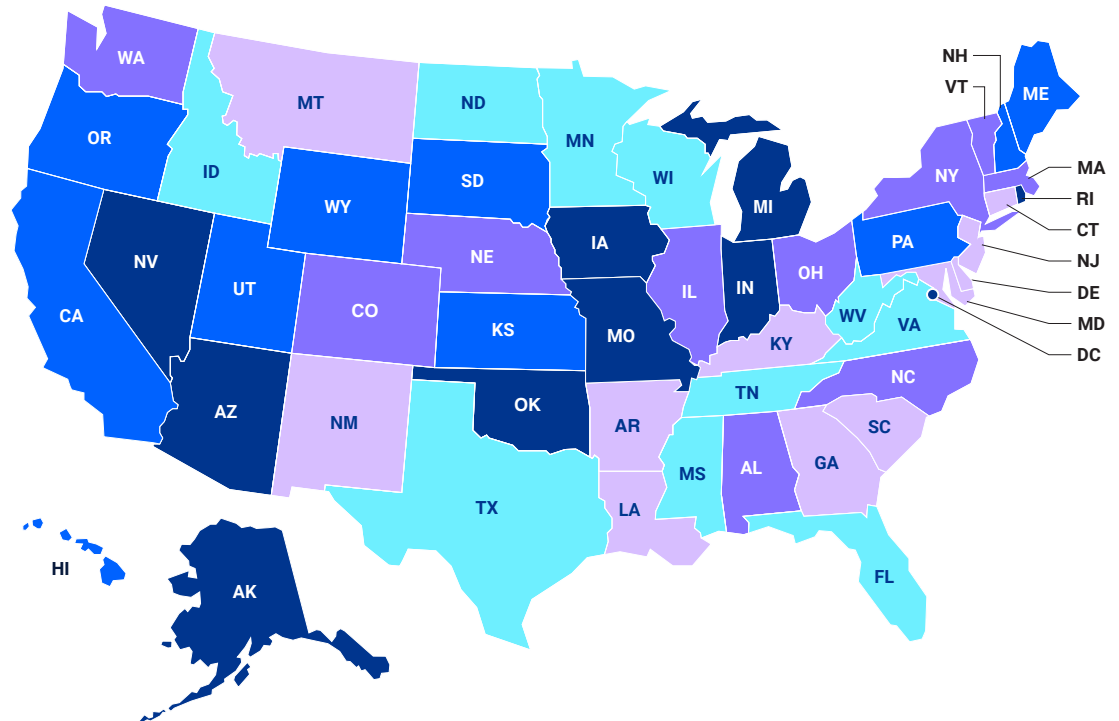
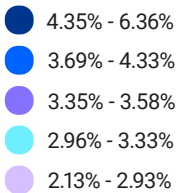
Commercial reconstruction costs

Total commercial reconstruction costs increased 4.1% from April 2025 to April 2026 and 0.76% from January 2026 to April 2026. Rhode Island had the largest increase at 6.36%. Oklahoma and Iowa followed with increases of 5.81% and 5.22%, respectively.

Rhode Island had the largest rank jump, from 31st place. Kansas rose 24 places from 41st to 17th with an increase of 3.75%, and Alaska's rank jumped from 30th to eighth with an increase of 4.58%.

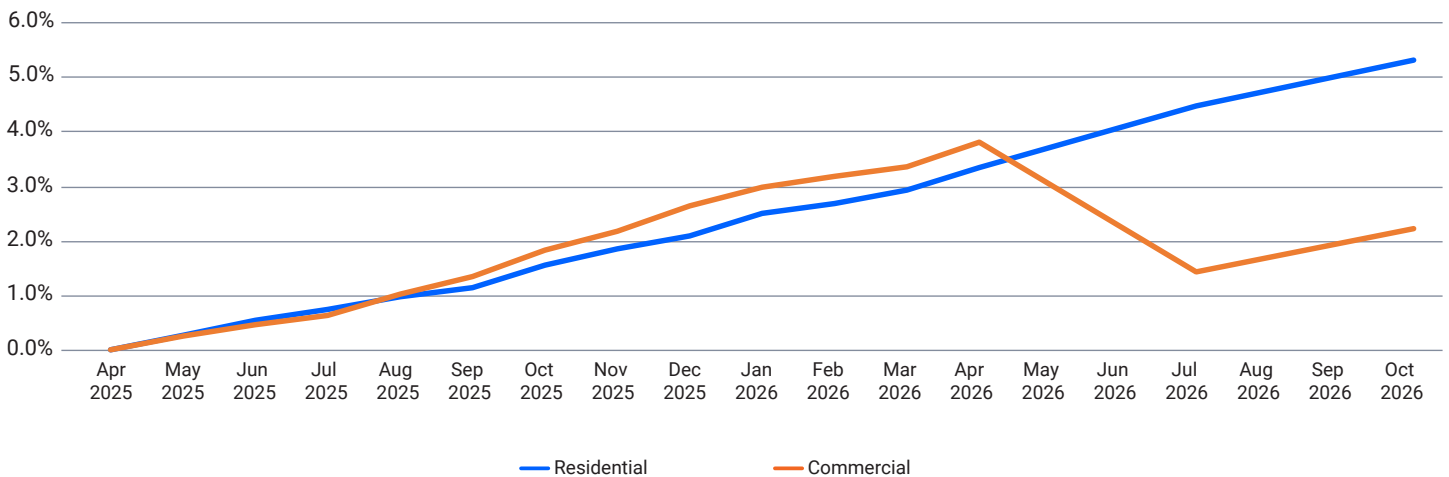
As with residential costs, Georgia experienced the largest drop, falling 46 places from fourth to tie for 50th, with a 2.13% increase. Louisiana fell from first to 43rd with a 2.87% cost increase, and Wisconsin dropped from 14th to 34th with a 3.31% increase.

Changes in commercial reconstruction costs by state



Growth in residential and commercial reconstruction costs by month

Market expectations for reconstruction costs anticipate a 1.83% increase for residential and a 1.46% decrease for commercial from April 2026 to October 2026.



Materials vs. labor trends

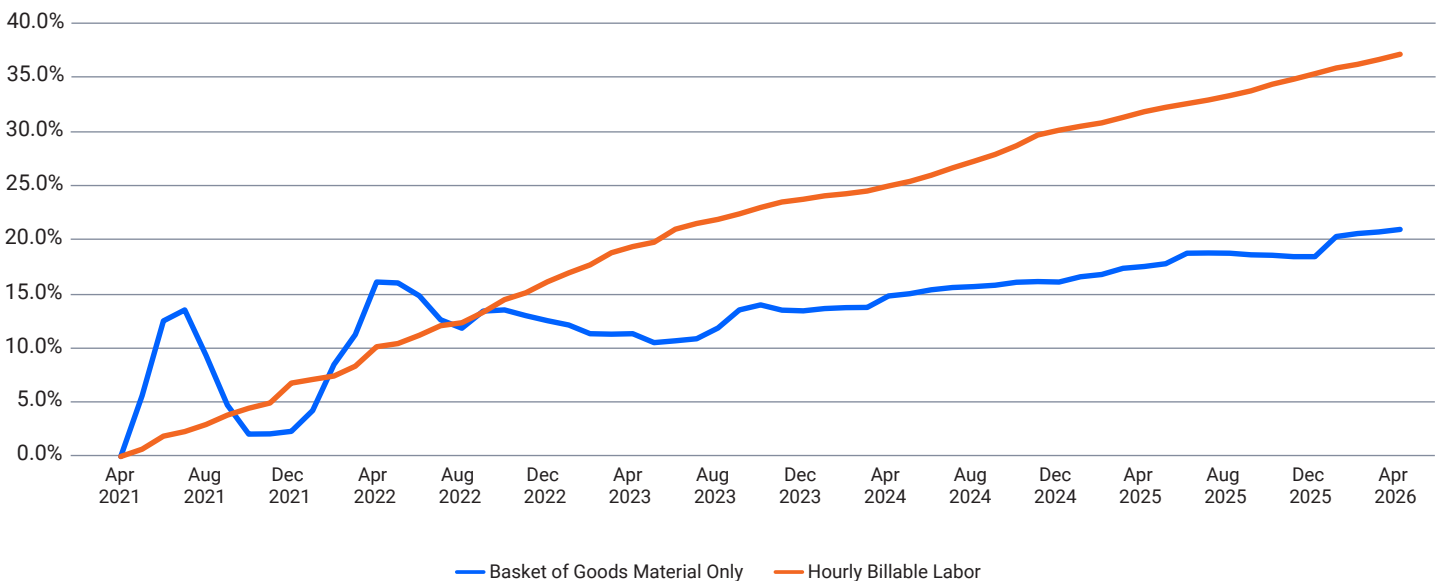


Material pricing continued to moderate through 2025. While select categories experienced quarter-to-quarter movement, overall material cost growth slowed and, in some quarters, showed modest declines, signaling that materials are no longer the dominant driver of reconstruction cost volatility.

Labor costs remained the primary source of upward pressure. Wage growth across skilled trades persisted as public infrastructure spending, prevailing wage requirements, and long-duration projects sustained high labor demand, particularly in states with constrained construction workforces.

As a result, reconstruction cost trends are increasingly shaped by labor availability, project timelines, and local market dynamics rather than material price swings. Regional variation is driven more by workforce constraints and capacity limitations than by input cost inflation, reinforcing the shift toward labor-driven reconstruction economics.

Common construction materials vs. hourly billable labor trends



Material cost analysis

Material costs rose by 2.95% from April 2025 to April 2026 in the United States. These costs increased 0.54% over the quarter.



Material prices remained largely stable this quarter, with modest movement across all eight tracked composites. The overall range of change was narrow, spanning from a slight decline of roughly -0.35% to a modest gain of about 1.35%.

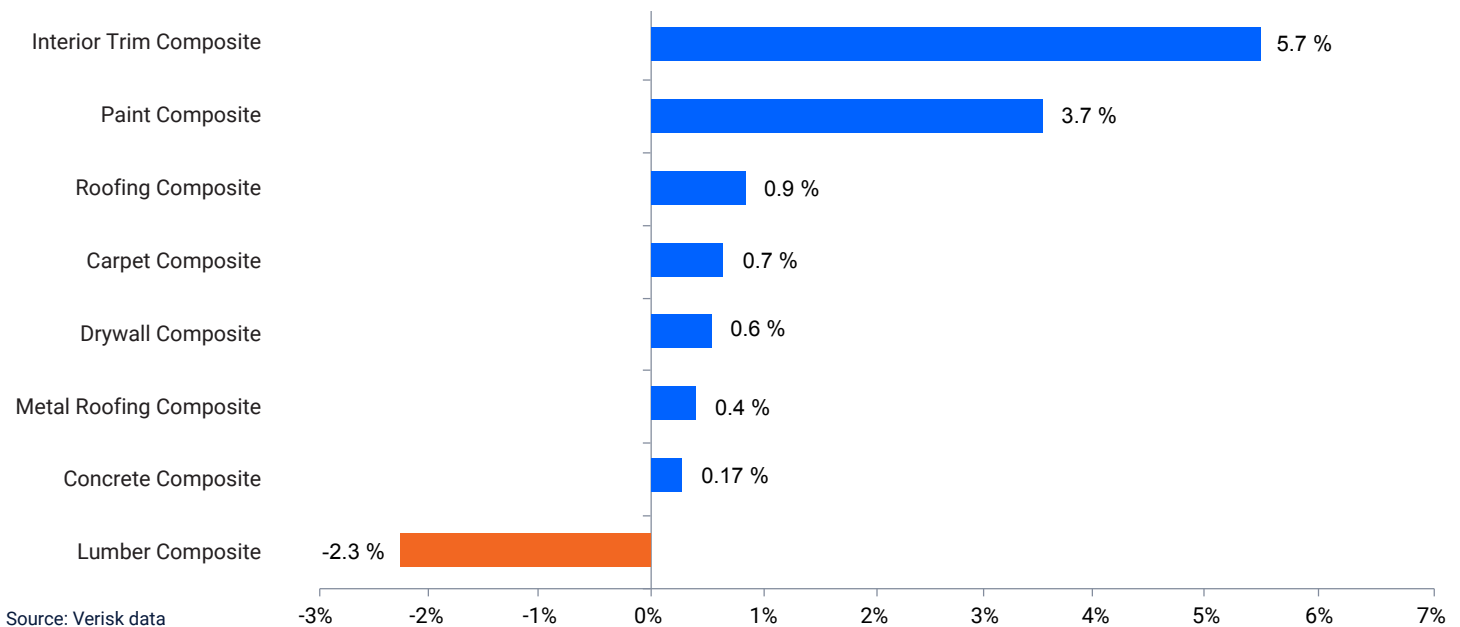
Paint composite saw the largest increase at +1.35%, followed by interior trim (+1.17%) and metal roofing (+0.41%). These three materials led modest upward price pressure this quarter.

Notably, three materials posted declines: lumber (-0.35%), concrete (-0.04%), and roofing (-0.03%), which may signal softening demand or improved supply in those categories. Drywall and carpet were unchanged.

Interior trim material had the largest yearly increase at 5.7% after a yearly increase of 4.9% in the previous release of this report. Paint material increased by 3.7%, while all other materials changed by less than 1%. Lumber was the only material to decrease over the past 12 months, dropping 2.3%.

Annual percentage change in material composite costs

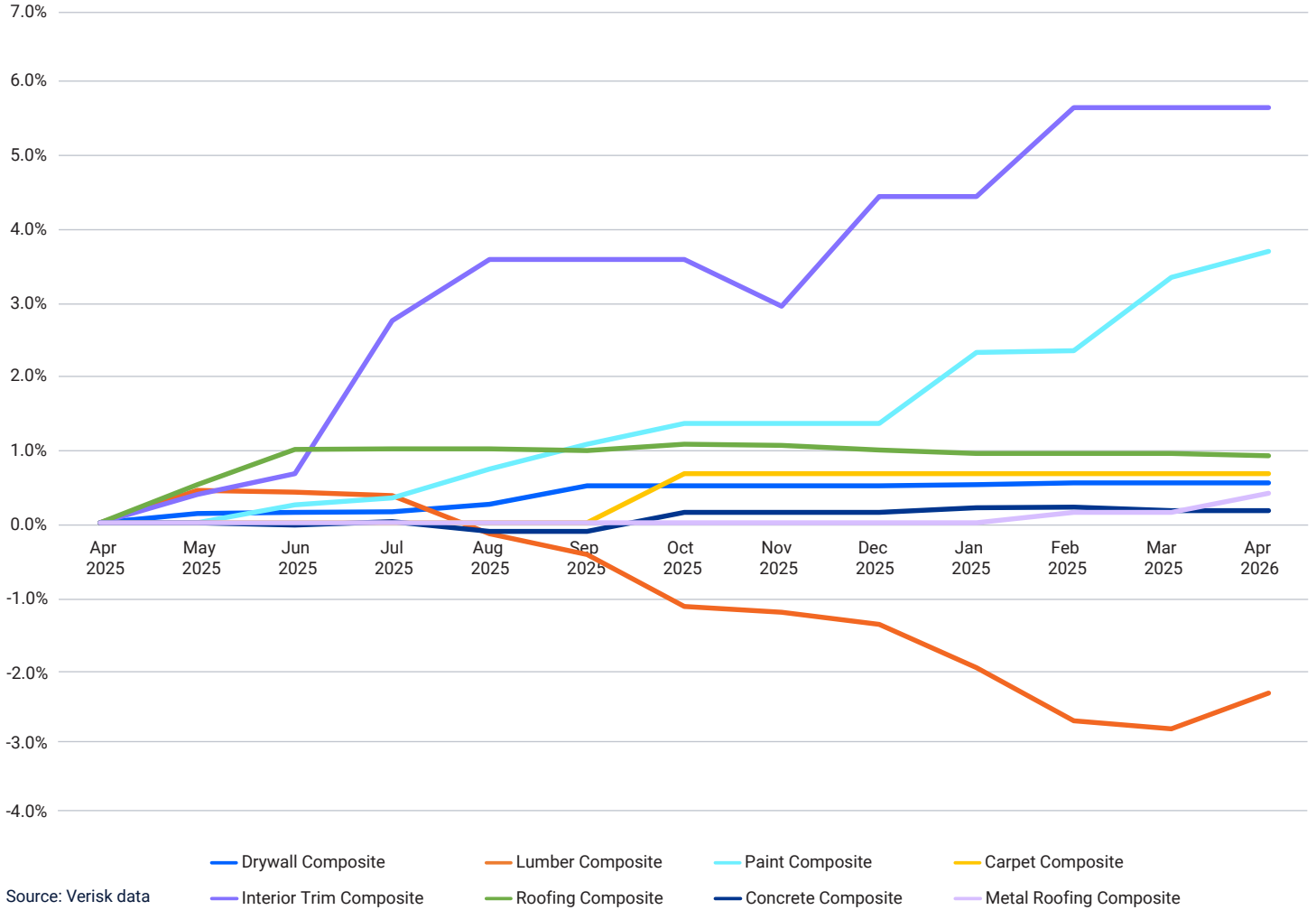
Year-over-year changes in material composite costs are broken down by category.



Source: Verisk data

Percentage change in costs by month

Year-over-year changes in material composite costs are broken down by category.



Labor cost analysis

Combined hourly billable labor costs increased by 3.63% from April 2025 to April 2026. The quarterly change was 0.95%, compared with last quarter's 1.14% increase.

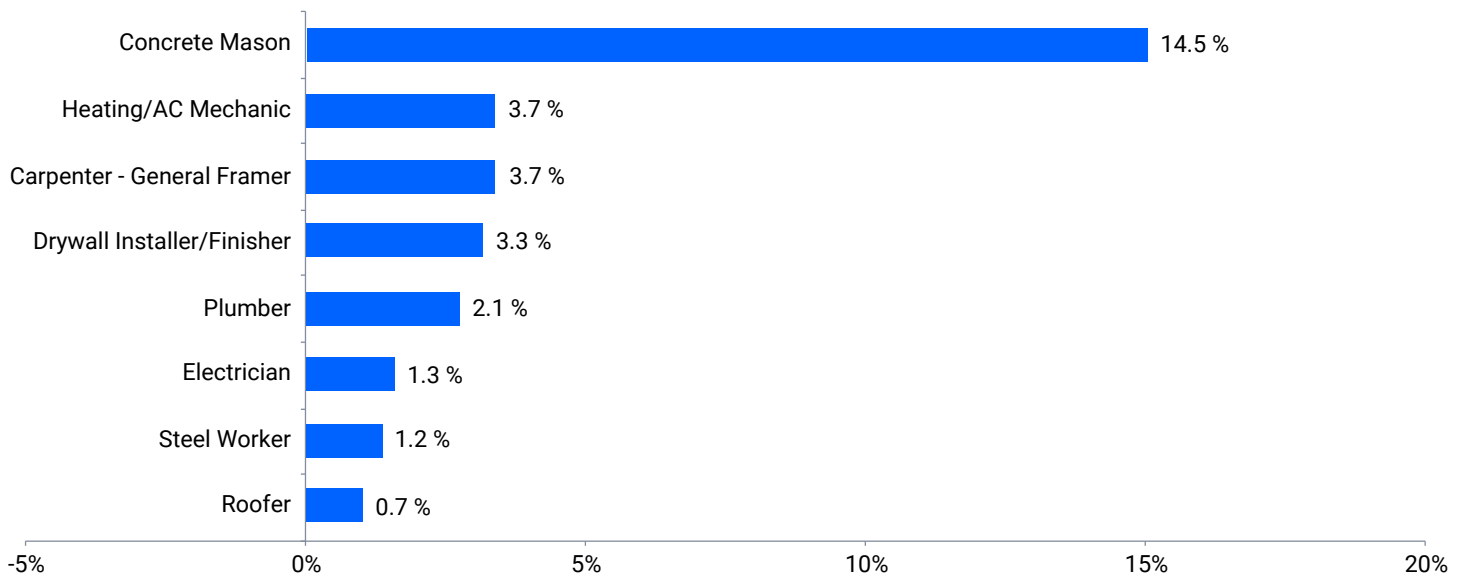
Labor rates increased across all eight tracked trades this quarter, with no declines, a notably different picture from materials, where three composites saw price drops. Drywall installer/finisher led all trades with the highest increase at +1.28%, closely followed by concrete mason (+1.27%) and carpenter/general framer (+1.05%). The remaining trades saw more modest gains. Heating/AC mechanic rose +0.88%, while roofer (+0.47%), plumber (+0.41%), electrician (+0.31%), and steel worker (+0.24%) all posted smaller but consistent increases.

All trades had year-over-year increases. Concrete mason labor had the largest yearly increase at 14.5%, after a yearly increase of 16.0% in the previous release of this report. Heating/AC mechanics and carpenters followed, both increasing 3.7%. Roofer labor had the lowest increase at 0.7%.



Annual percentage change in retail labor rates

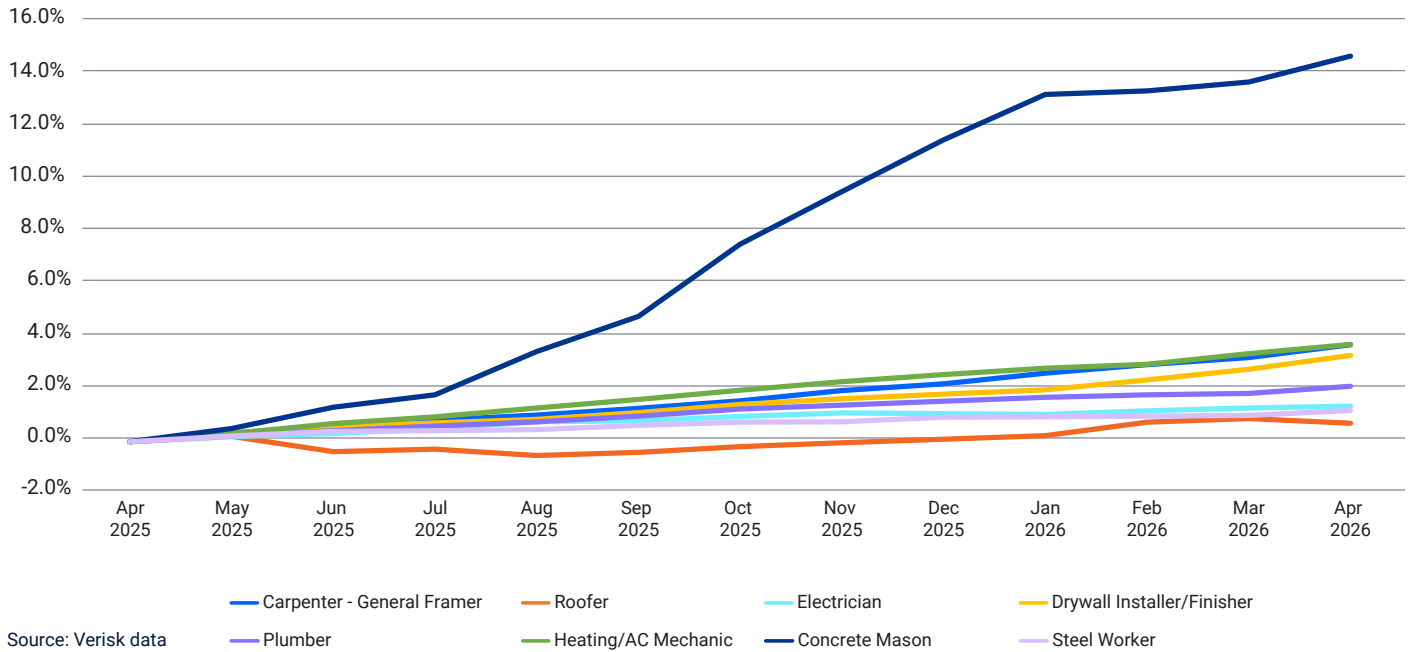
All but one labor category saw 12-month increases of less than 5%.



Source: Verisk data

Percentage change in costs by month

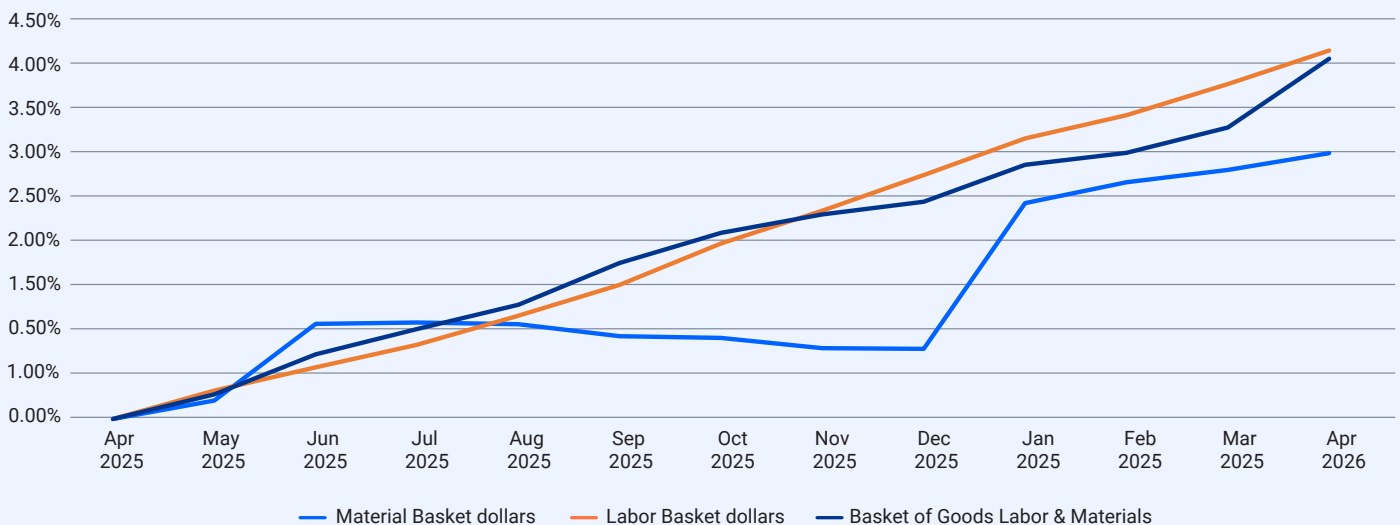
Rates for concrete masons outpaced the next-highest-rising group by more than 12 points.



Labor and materials in aggregate

Relative increases in materials and labor followed a typical pattern in the latest reporting period. Labor costs grew 4.09% from April 2025 to April 2026, while material costs rose 2.95% 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.

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