Verisk™

360Value Quarterly Reconstruction Cost Analysis

Q2 2025: 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 2024 to April 2025 unless otherwise noted.

Cost growth rate currently remains modest

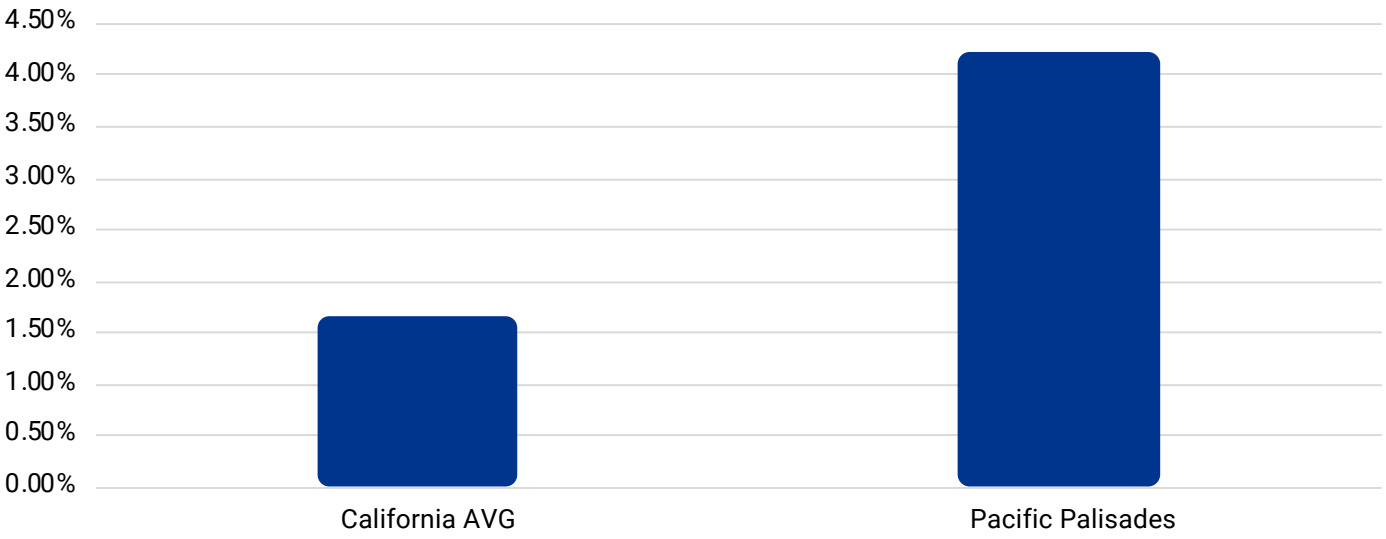
Total reconstruction costs in the United States, including materials and retail labor, increased by 5.2% from April 2024 to April 2025, up from April 2023 to April 2024 (4.6%). Cost growth in Q1 2025 was virtually unchanged at 1.1% compared with 1.0% in the previous quarter.

Tracking fire and tariff impacts

The impacts of the Palisades and Eaton fires in California were noticeable this past quarter, as cost increases appear to be accelerating in the region. While California reconstruction costs were up 1.67% on average, the Los Angeles region saw a 4.24% increase, largely incurred in the past two months with rises of 1.06% from February to March and 3.15% from March to April.

Verisk will continue to monitor cost changes in the aftermath of the January fires in Southern California. After a catastrophic weather event such as a hurricane, earthquake, flood, or wildfire, cost changes often occur due to increased demand for labor and materials.

Quarterly Reconstruction Cost Change



Verisk is also **monitoring the potential impacts** of recent U.S. import tariffs, especially on four key construction materials—lumber, concrete, drywall, and roofing. In 2024, imports accounted for approximately 28% of the softwood lumber consumed in the United States.1 Canada supplies about 83% of annual U.S. softwood lumber imports.2 In 2023, imports accounted for 24% of all concrete used in the U.S.3 Canada, Mexico, and China made up about 56% of U.S. gypsum (used for drywall) imports In 2024—an overall import dependency of 36%.4 **Possible short-term impacts** of the new tariffs include volatile pricing, especially where import dependency is high, and supply-chain disruptions.

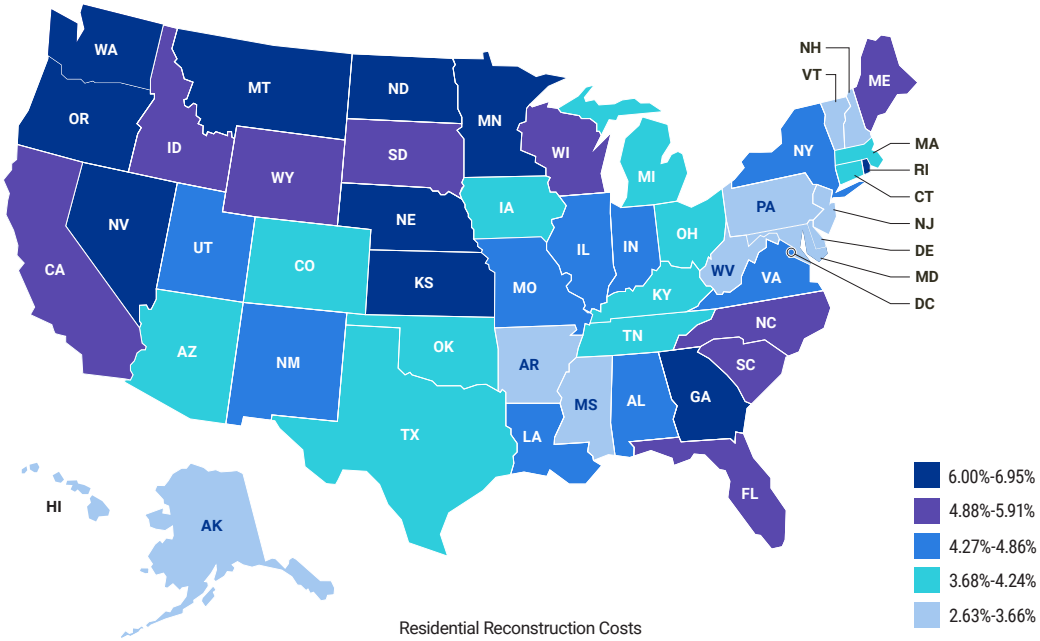
Reconstruction costs

Residential reconstruction costs
Total residential costs increased by 4.7% from April 2024 to April 2025 and 1.1% from January 2025 to April 2025. Residential reconstruction costs increased year over year in all states. Kansas had the largest increase for the second consecutive quarter at 6.95%, followed by Oregon (6.81%) and Georgia (6.53%)

Louisiana's rank rose most significantly, from 45th in January 2025 to 24th in April 2025; costs were up 4.50% in the state year-over-year. Georgia followed with a rise from 17th to third, and two states jumped 11 places: Wisconsin from 31st to 20th with an increase of 4.88%, and Massachusetts from 44th to 33rd with a rise of 4.23%.

Two states tied for the largest drop at 21 places: Tennessee from 14th to 35th with a 3.84% increase and Mississippi from 24th to 45th with an increase of 3.47%. Delaware dropped from 30th to 47th with a cost increase of 3.34%.

Changes in residential reconstruction costs by state



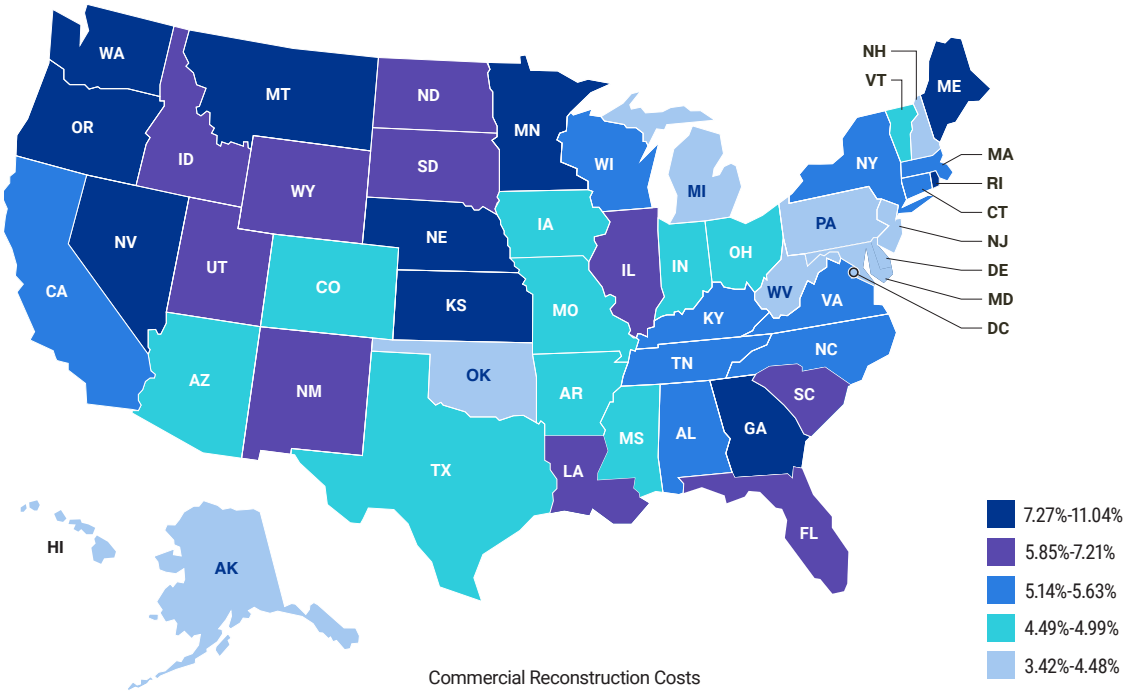
States are grouped in quintiles; each range/color in the legend includes ten states. (Source: Verisk data)

Commercial reconstruction costs

Total commercial reconstruction costs increased 5.7% from April 2024 to April 2025 and 1.2% from January 2025 to April 2025. Rhode Island again had the largest increase at 11.04%. Maine and Kansas followed with increases of 8.89% and 8.37%, respectively.

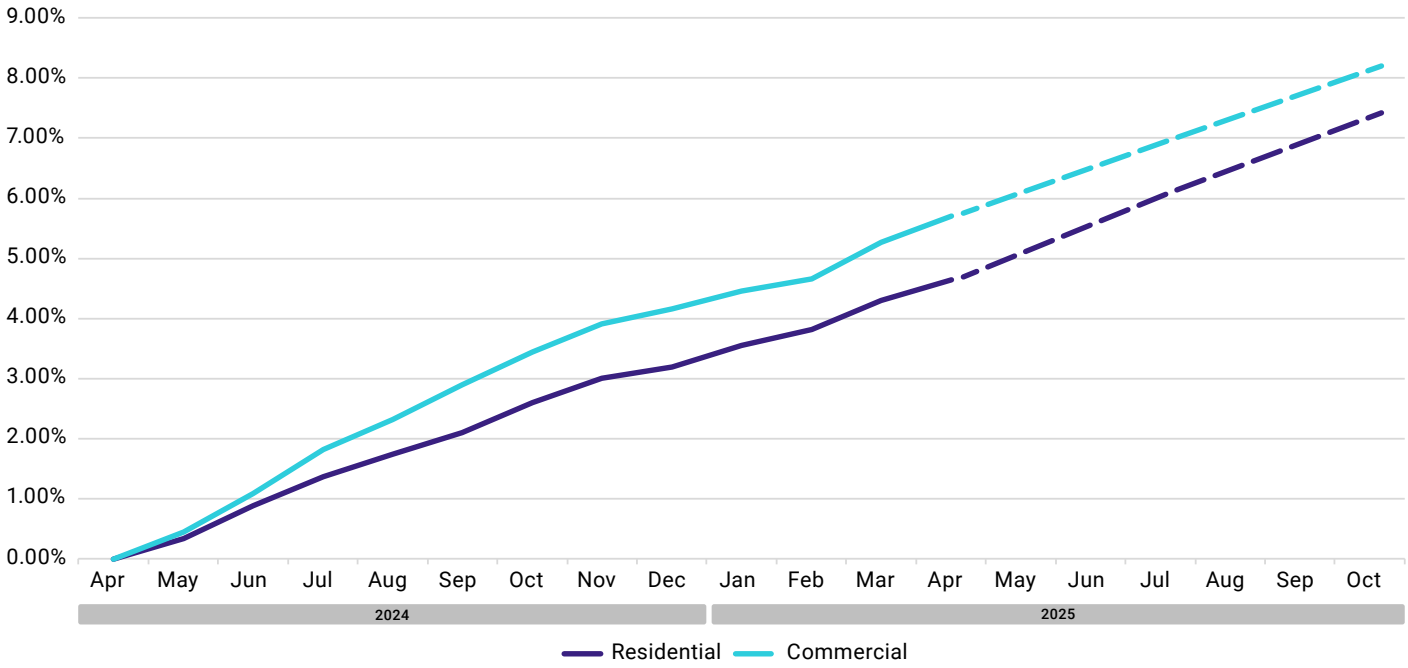
As with residential costs, Louisiana had the most significant rank jump—from 46th to 13th—with an increase of 6.87%. Massachusetts rose from 42nd to 26th with a cost increase of 5.37%, while Georgia rose from 20th to fifth, increasing 8.10%. Hawaii saw the largest downward change, going from 26th to 51st place with a 3.42% increase, and Tennessee dropped from sixth to 30th with a 5.13% cost increase. Mississippi fell from 16th to 37th with a 4.72% increase.

Changes in commercial reconstruction costs by state



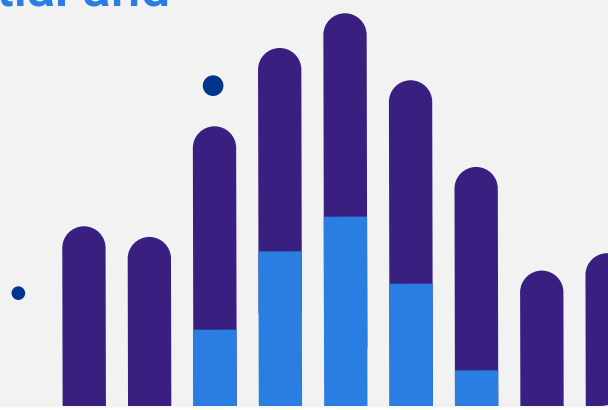
States are grouped in quintiles; each range/color in the legend includes ten states. (Source: Verisk data)

Growth in residential and commercial reconstruction costs by month



Commercial reconstruction cost increases were greater than those for residential reconstruction. (Source: Verisk data)

Market expectations for reconstruction costs anticipate a 2.60% increase for residential and 2.32% for commercial from April 2025 to October 2025.



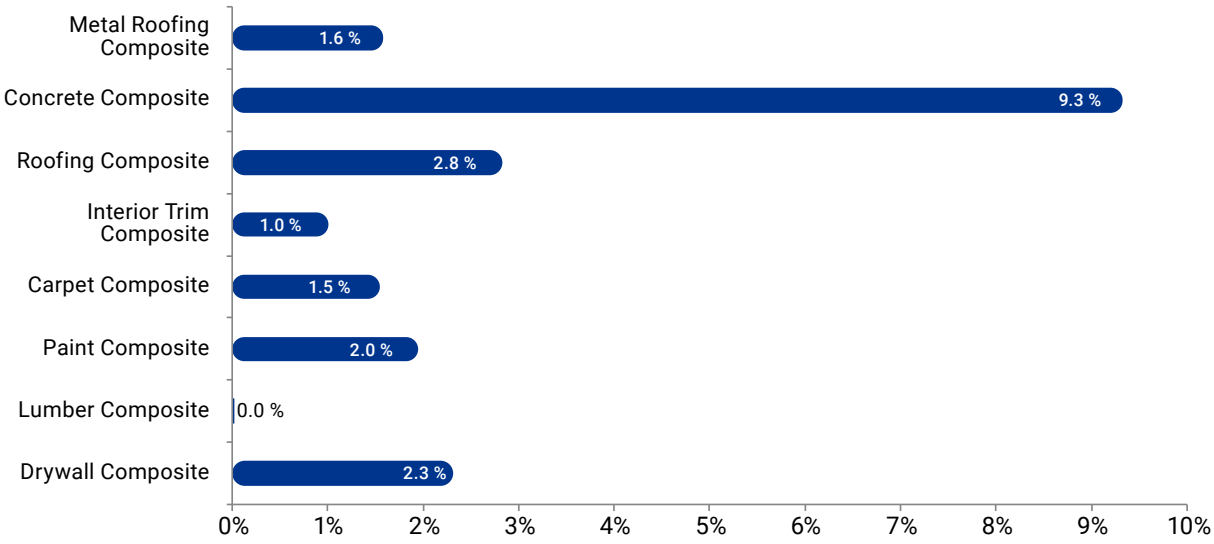
Labor and materials

Material cost analysis
Material costs rose 2.42% from April 2024 to April 2025—down slightly from the 2.6% increase from January 2024 to January 2025. The increasing month-to-month trend was consistent through most of 2024, except for a slight drop from November to December. A 0.43 increase—the largest in the 12 months—followed from December 2024 to January 2025.

Lumber was the only material category to remain flat overall at 0% for the past 12 months, despite a rise of 0.4% in the most recent quarter. Oriented strand board sheathing and pressure-treated lumber material decreased by 0.76% and 0.09% this past quarter, while plywood sheathing and dimensional lumber increased by 1.27% and 0.56%, respectively.

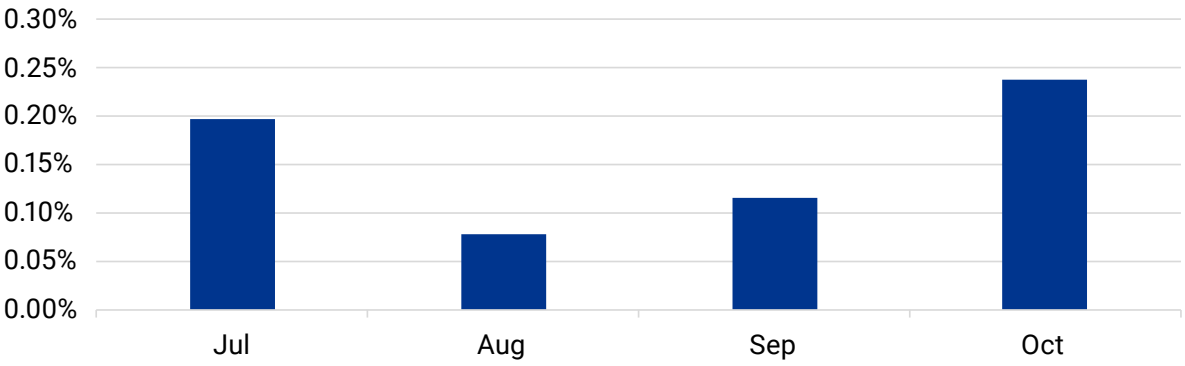
Concrete material again had the largest quarterly (1.19%) and yearly (9.3%) increases in the United States, followed by roofing material, which increased 2.8% over the last 12 months and 0.50% over the last quarter. Interior trim material began to climb, rising 0.39% in the most recent quarter and remaining unchanged in the preceding quarter.

Annual percentage change in material composites 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)

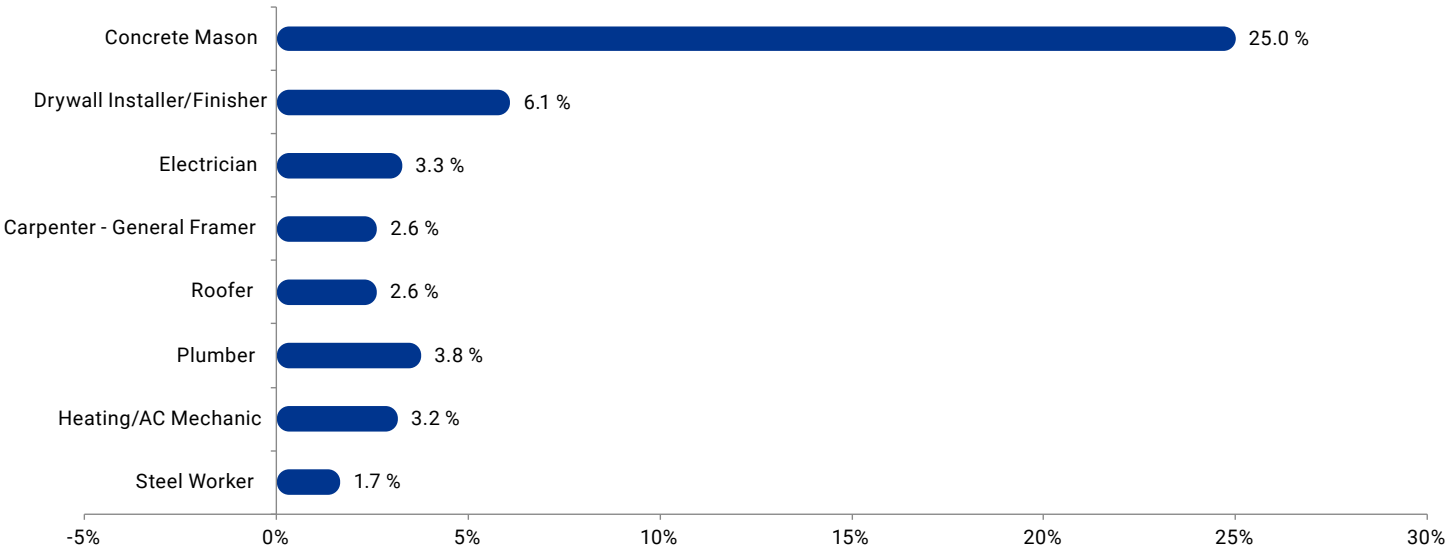
Labor cost analysis

Combined hourly retail labor costs increased by 5.6% from April 2024 to April 2025, up slightly from their 5.3% increase from January 2024 to January 2025. The quarterly change was 1.06% compared with last quarter's 1.46% increase.

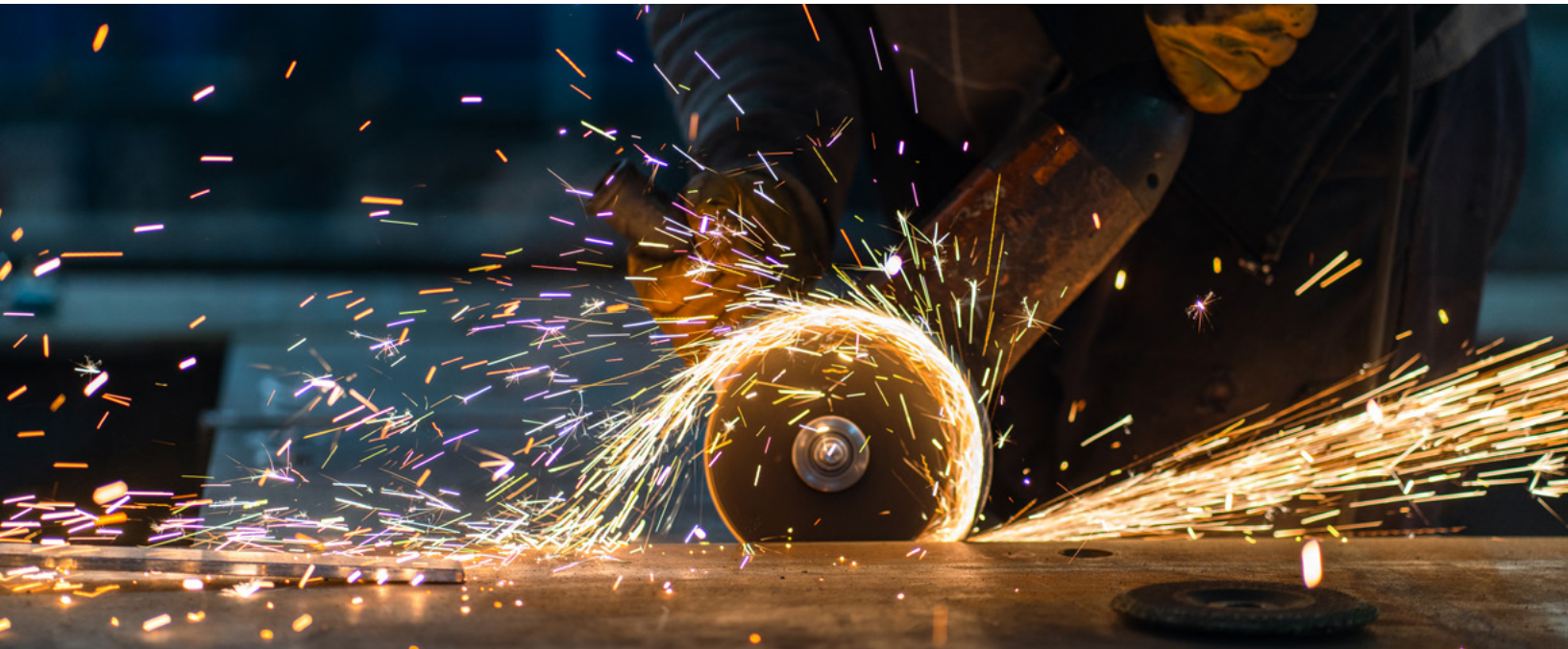
Labor costs increased the most in April this quarter, up 0.41%. Last quarter, the largest monthly increase was 0.80% in November. The average monthly change for the most recent quarter was 0.37%, down from 0.51% the previous quarter.

Concrete masons again had the largest quarterly change in the United States. Steel workers had the lowest 12-month increase again, steady at 1.7%. No labor categories showed a decrease over the past year or quarter.

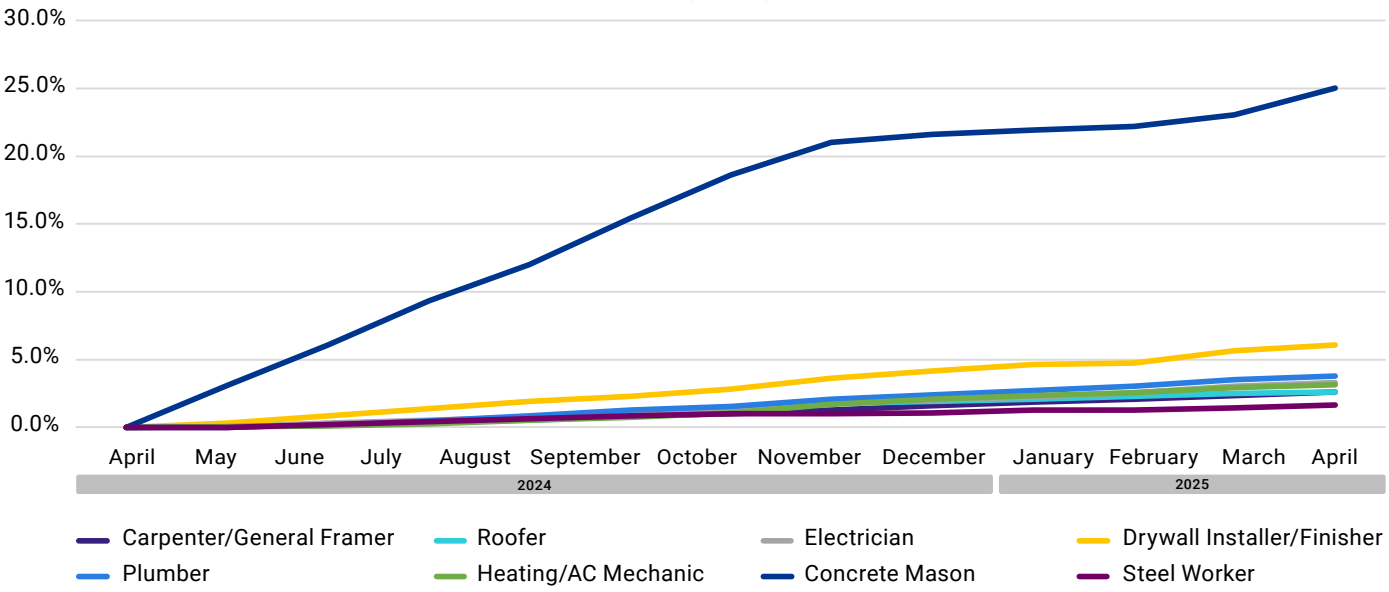
Annual percentage change in retail labor rates



All but one labor category saw 12-month increases of 6.1% or less. (Source: Verisk data)



Percentage change in costs by month



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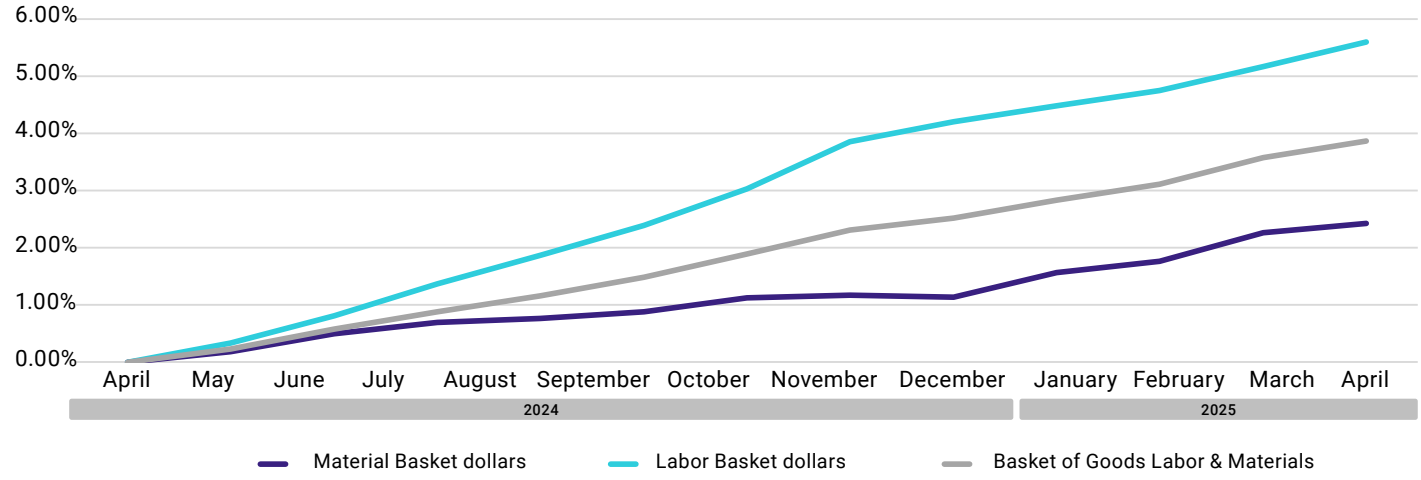
Labor and materials in aggregate

Relative increases in materials and labor followed a typical pattern in the latest reporting period. Labor costs grew 5.6% from April 2024 to April 2025, while material costs rose 2.4% in that time frame.

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



With no drop in concrete costs, material and labor costs have both risen for the past 12 months. (Source: Verisk data)

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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