




360Value Quarterly Reconstruction Cost Analysis

Q3 2025: United States

The background features a large, light blue silhouette of the United States map. Overlaid on the map are several vertical bars of varying heights and colors (dark blue, medium blue, and light blue) and a large, solid blue circle containing text. There are also several small dark blue dots scattered across the background.

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 July 2024 to July 2025 unless otherwise noted.

Reconstruction cost growth cools

Total reconstruction costs in the United States, including materials and retail labor, increased by 4.2% from July 2024 to July 2025, down from July 2023 to July 2024 (5.2%). Cost growth in Q2 2025 dipped to 0.7% from 1.1% in the previous quarter.

Reconstruction costs

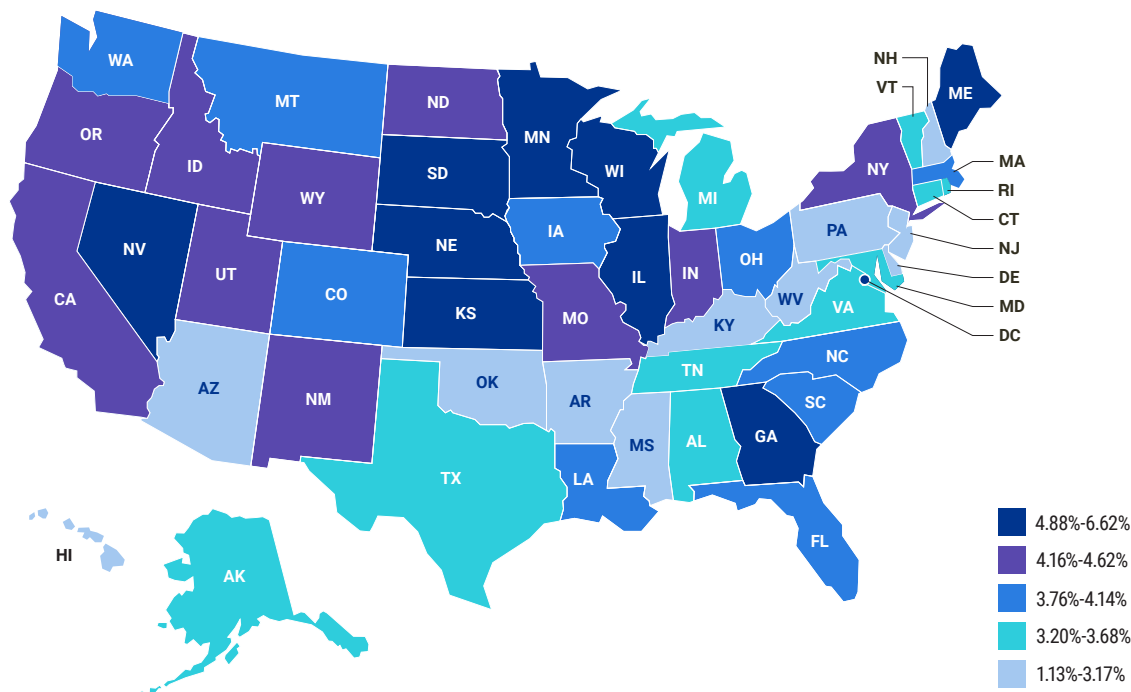
Residential reconstruction costs

Total residential costs increased by 4.0% from July 2024 to July 2025 and 0.7% from April 2025 to July 2025. Residential reconstruction costs increased year over year in all states. Kansas had the largest increase for the third consecutive quarter at 6.62%, followed by Minnesota and Georgia, both at 5.79%.

The District of Columbia's rank rose most significantly, from 22nd in April 2025 to fourth in July 2025; costs were up 5.78% in the district year-over-year. Missouri followed with a rise from 28th to 11th, and two states jumped 14 places: Wisconsin from 20th to sixth with an increase of 5.02%, and Alaska from 50th to 36th with a rise of 3.36%.

Rhode Island had the largest drop at 25 places with a 3.68% increase. Two states fell 14 places: Oregon from second to 16th with a 4.51% increase and South Carolina from 15th to 29th with an increase of 3.78%. Washington dropped 13 places from ninth to 22nd with a cost increase of 4.11%.

Changes in residential reconstruction costs by state



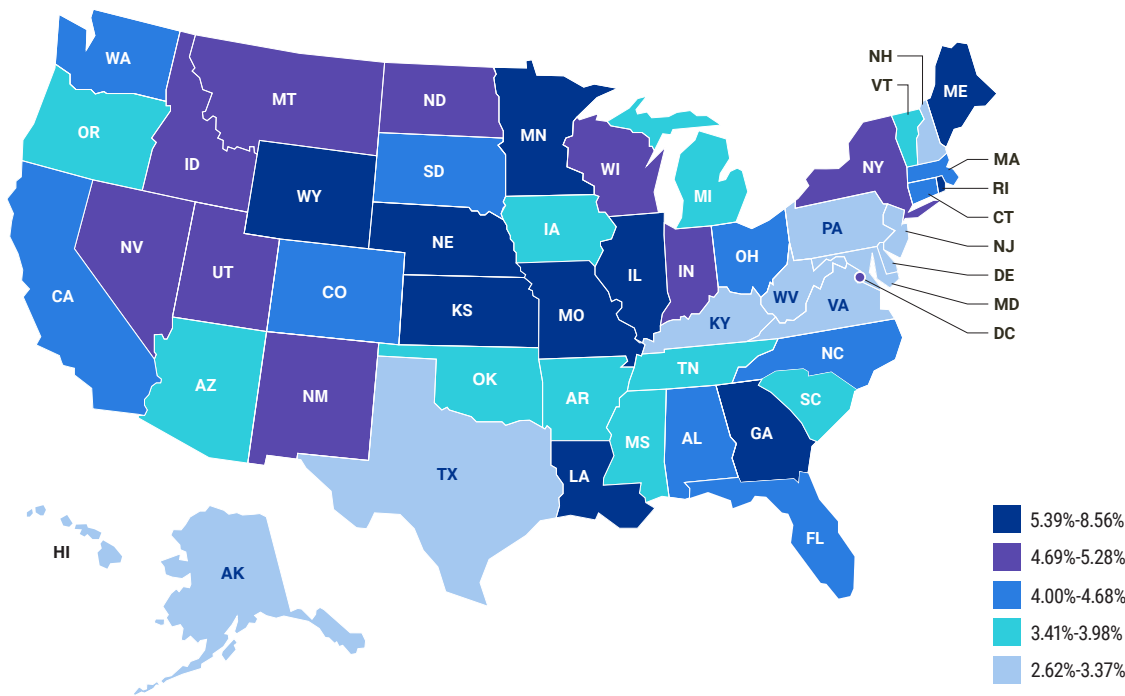
States are grouped in quintiles; each range/color in the legend includes ten states. (Source: Verisk data)

Commercial reconstruction costs

Total commercial reconstruction costs increased 4.4% from July 2024 to July 2025 and 0.6% from April 2025 to July 2025. Maine had the largest increase at 8.56%. Kansas and Minnesota followed with increases of 7.76% and 6.74%, respectively.

As with residential costs, the District of Columbia had the most significant rank jump—from 44th to 14th—with an increase of 5.05%. Missouri rose from 31st to 10th with a cost increase of 5.39%, while Indiana rose from 33rd to 20th, increasing 4.69%. Two states dropped 22 places: Oregon from ninth to 31st with a 3.98% increase and Kentucky from 28th to 50th with a 2.63% rise. South Carolina dropped from 17th to 33rd place with a 3.82% increase, and Washington dropped from seventh to 21st with a 4.68% cost increase.

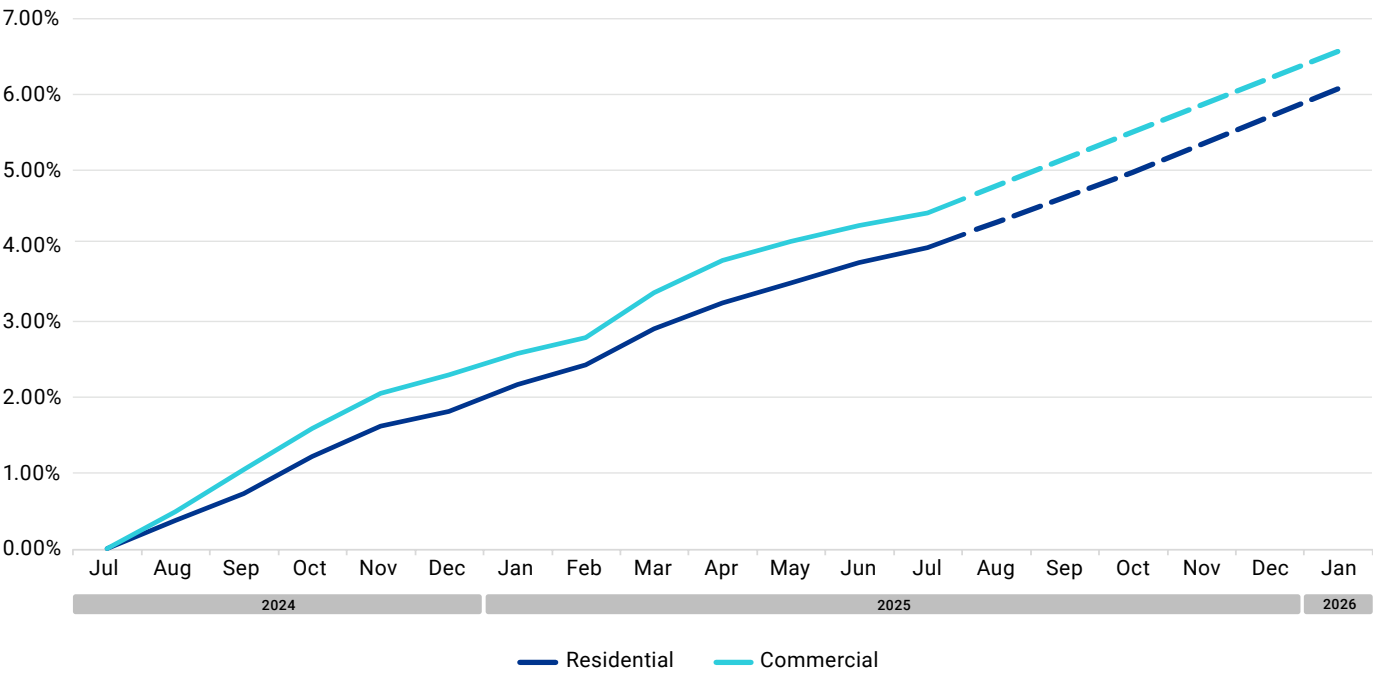
Changes in commercial reconstruction costs by state



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

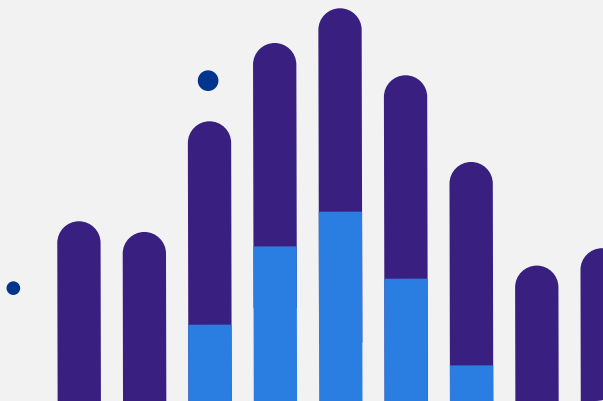


Growth in residential and commercial reconstruction costs by month



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

Market expectations for reconstruction costs anticipate a 2.02% increase for residential and 2.04% for commercial from July 2025 to January 2026.



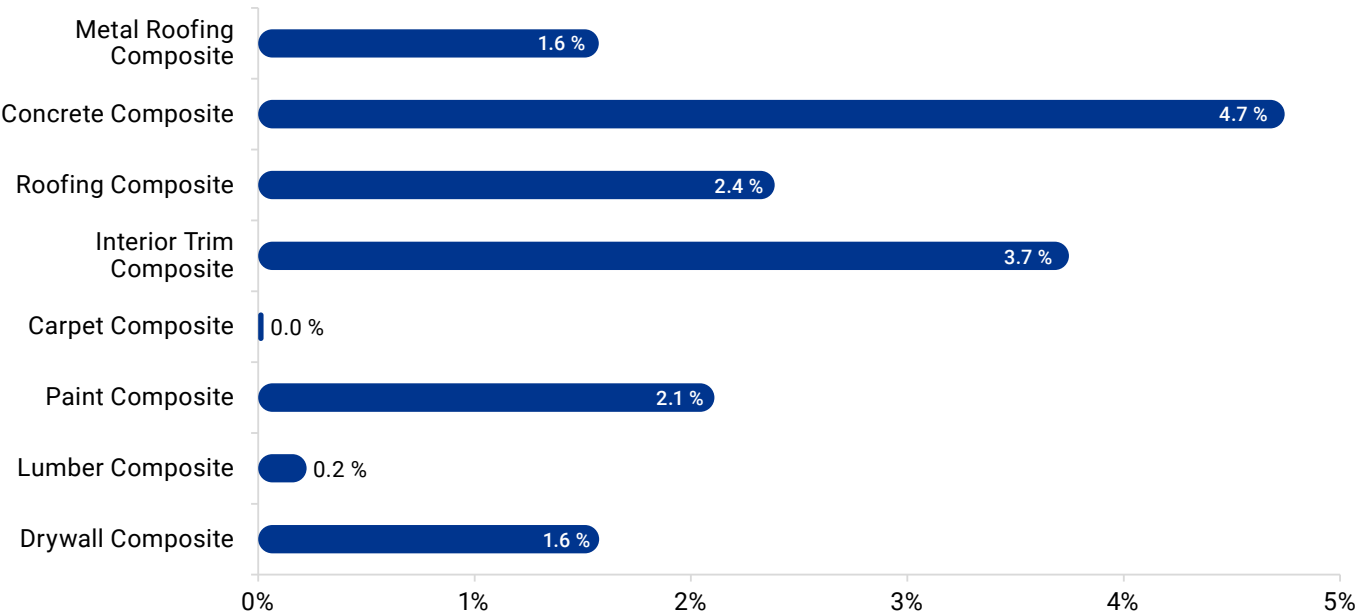
Labor and materials

Material cost analysis

Material costs rose by 2.81% from July 2024 to July 2025. The largest monthly increase in the second quarter was 0.85%, occurring in June 2025 and largely the result of an increase in the cost of condenser units and heating/AC registers. Concrete material had the largest yearly increase at 4.74%.

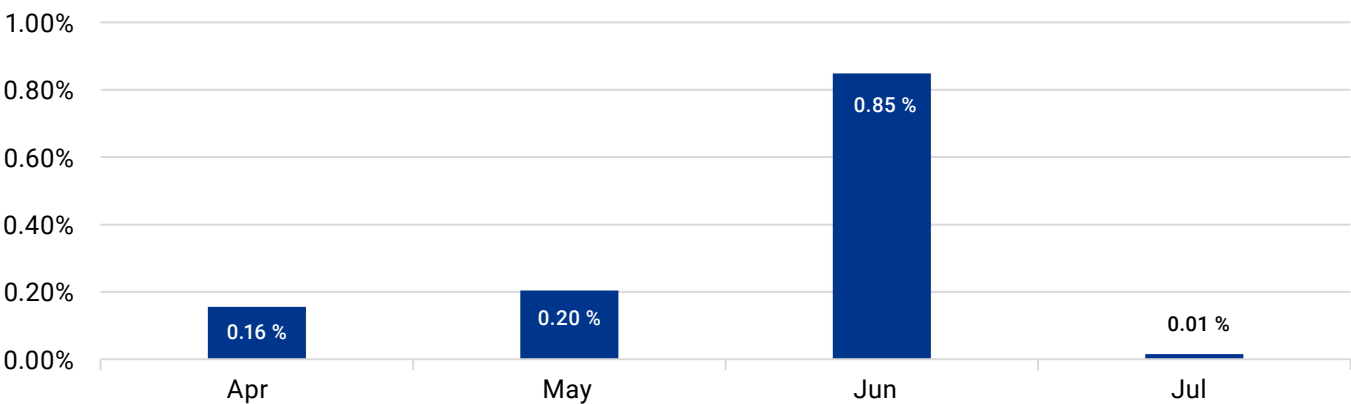
Over the past quarter, interior trim material increased the most at 2.78%. Carpet in the US was the only material to remain flat. Lumber material costs also remained relatively stable, increasing just 0.22%.

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



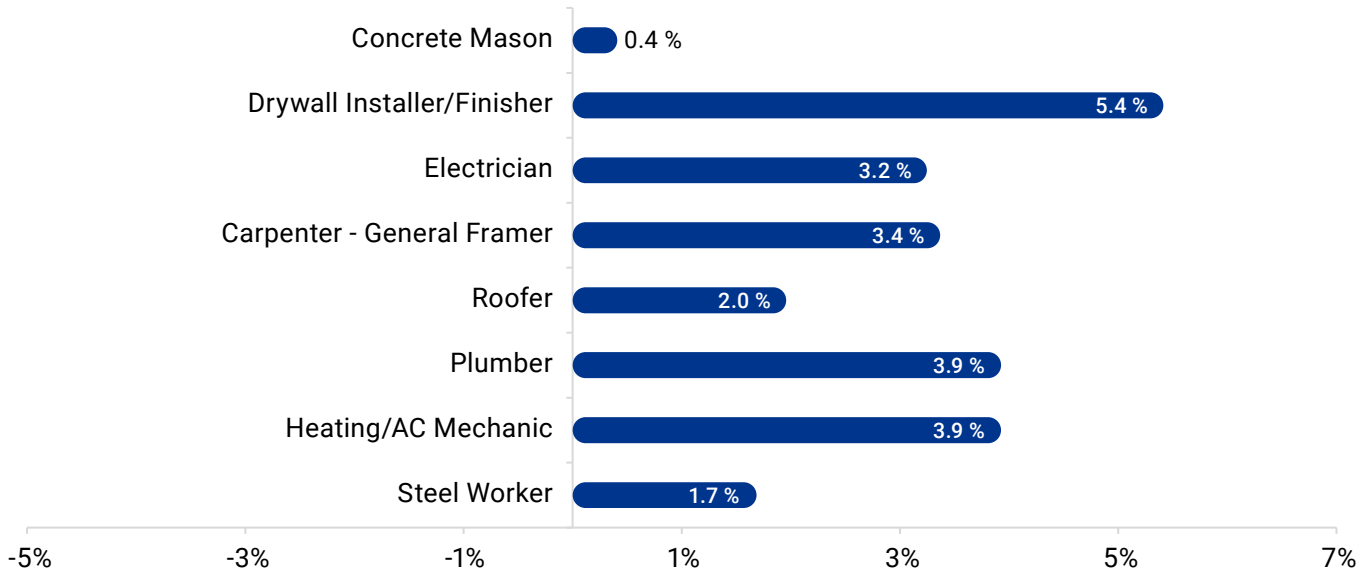
Trends in materials composite prices by category and month (Source: Verisk data)

Labor cost analysis

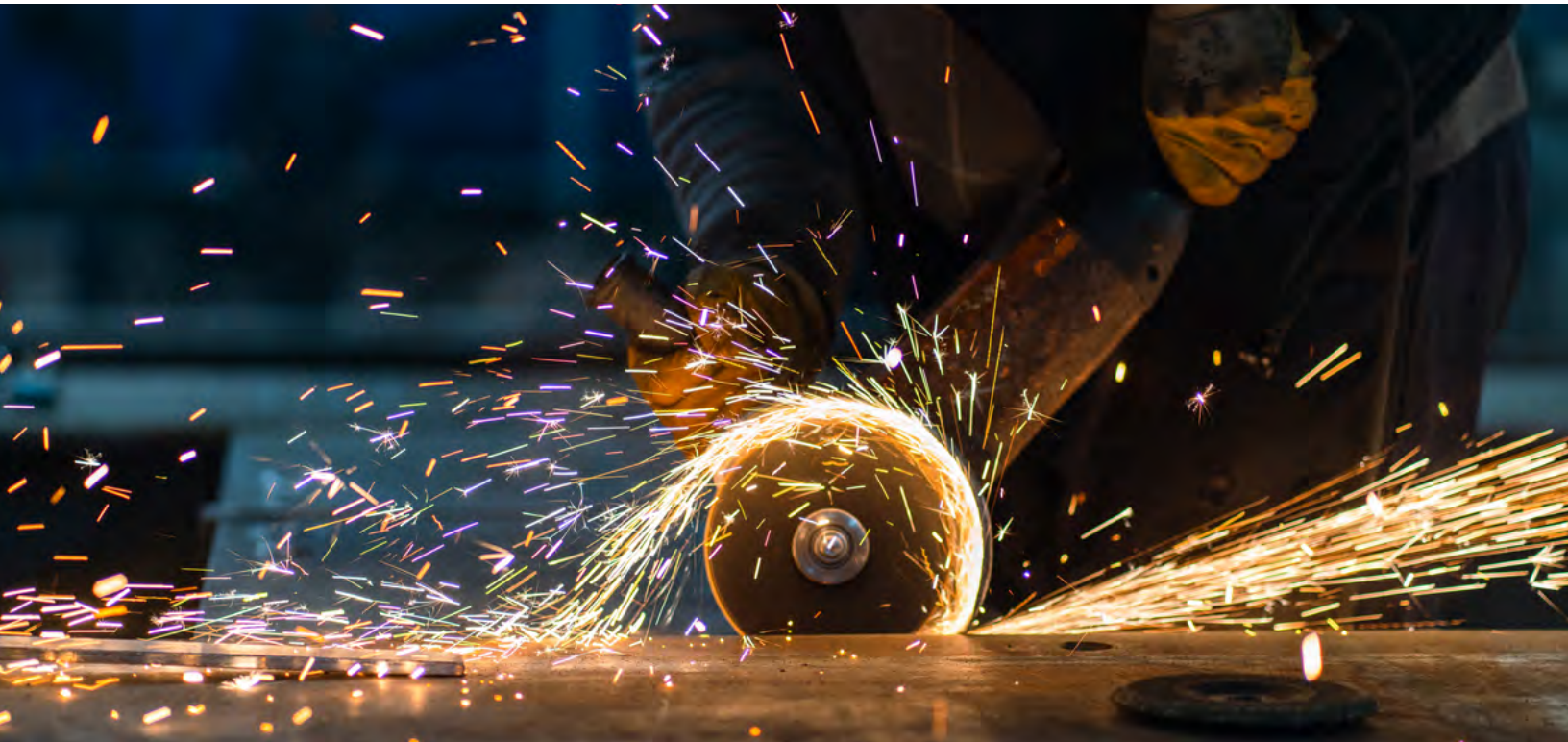
Combined hourly billable labor costs increased by 5.03% from July 2024 to July 2025. The quarterly change was 0.82% compared with last quarter's 1.06% increase.

This quarter, labor costs had the largest monthly growth in April, increasing 0.41%. Tile/cultured marble installers had the largest quarterly change, increasing 2.49%, followed by siding installers, which increased 2.37%. The cost of roofers decreased 0.28%, the only trade to show a drop and the first decline for roofers since June 2014.

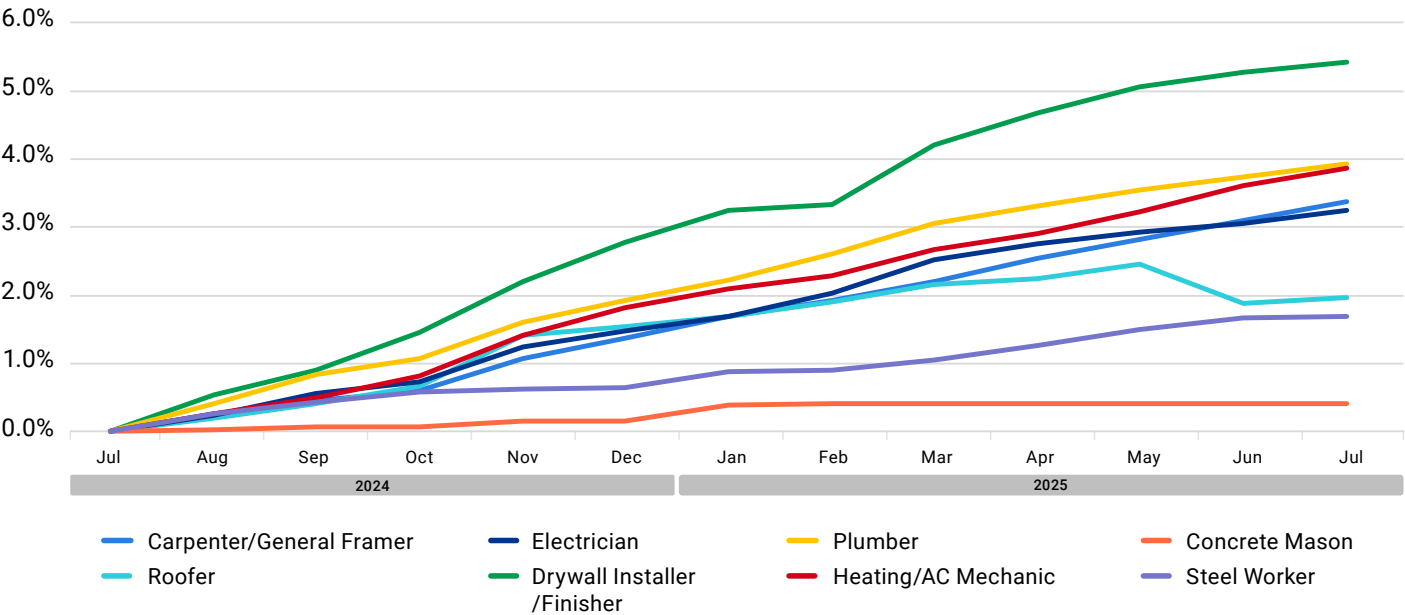
Annual percentage change in retail labor rates



All but one labor category saw 12-month increases of less than 4%. (Source: Verisk data)



Percentage change in costs by month

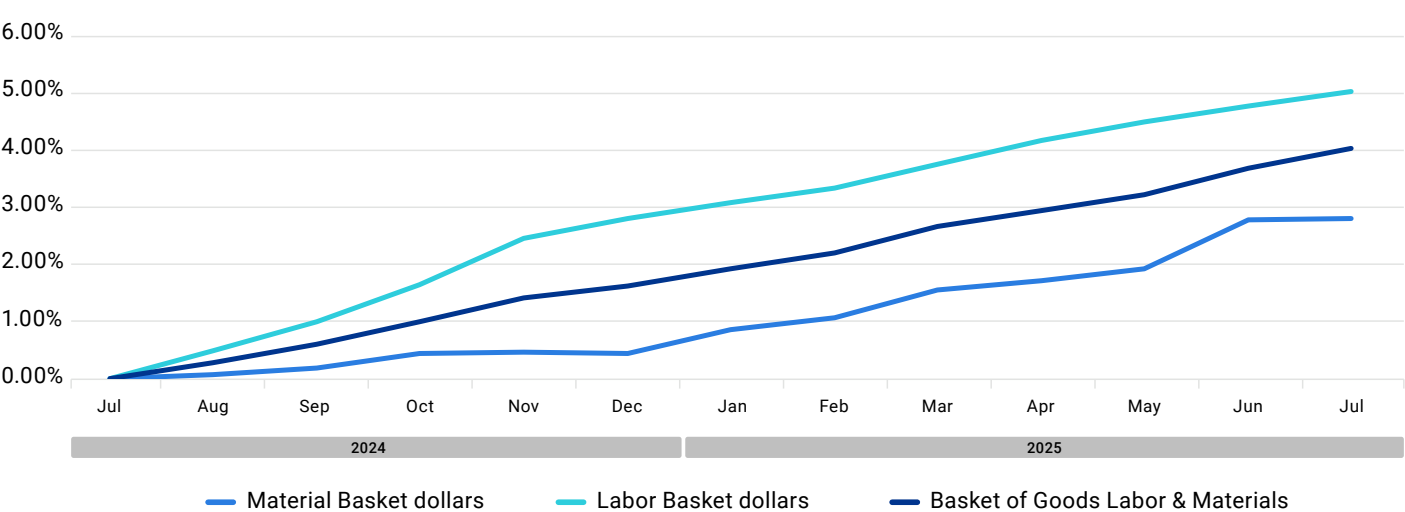


Rates for drywall installers/finishers outpaced the next-highest-rising group by more than a point. (Source: Verisk data)

Labor and materials in aggregate

Relative increases in materials and labor followed a typical pattern in the latest reporting period. Labor costs grew 5% from July 2024 to July 2025, while material costs rose 2.8% in that time frame.

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



While material costs flattened from June to July 2025, labor costs climbed steadily for the past 12 months. (Source: Verisk data)

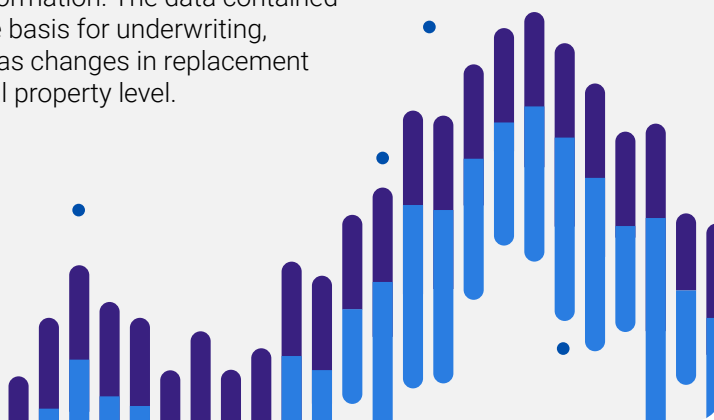
About this report

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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