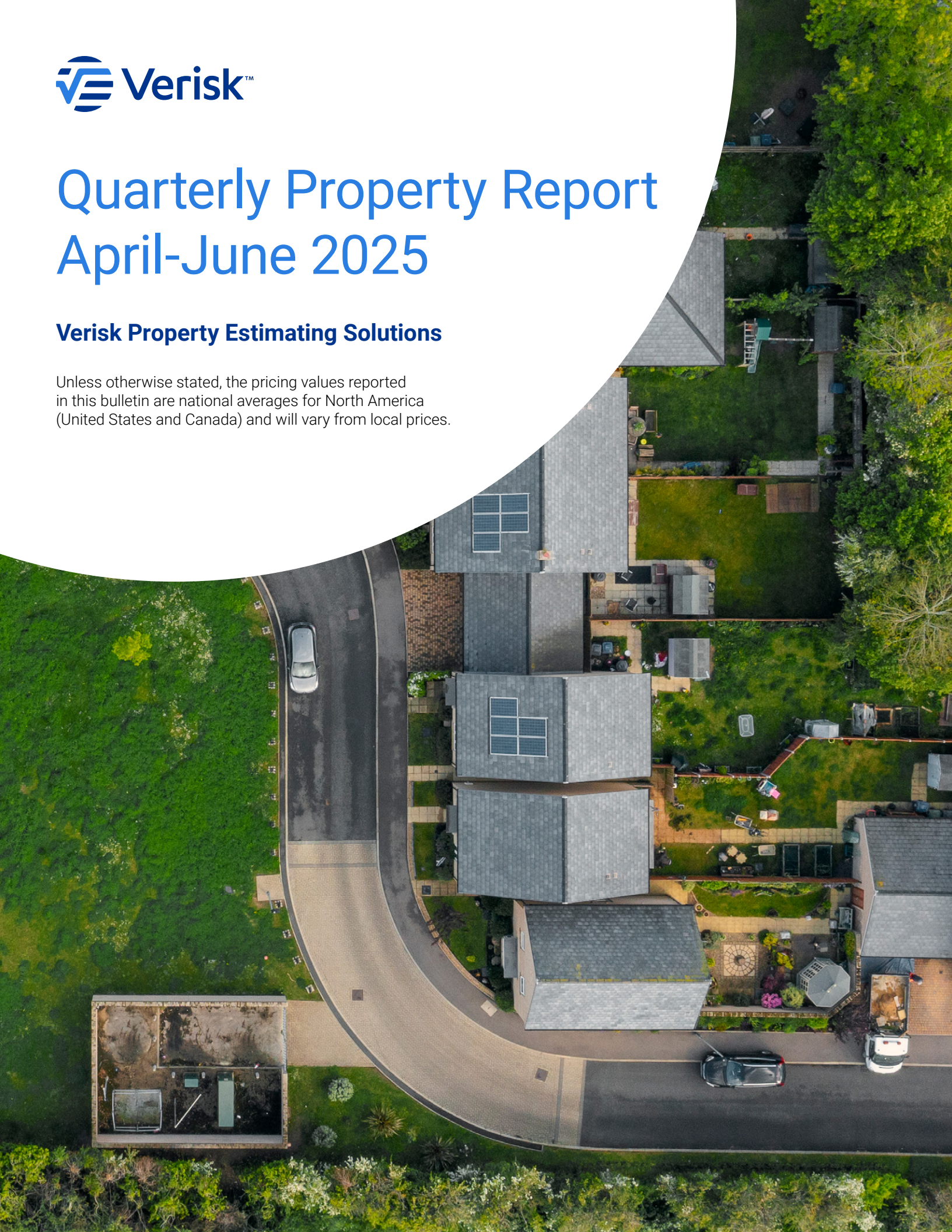




Quarterly Property Report April-June 2025

Verisk Property Estimating Solutions

Unless otherwise stated, the pricing values reported in this bulletin are national averages for North America (United States and Canada) and will vary from local prices.



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Q2 2025 revealed significant variations in property risk patterns. Texas saw 183% more claims than Missouri, the second-place state, while weather verification analysis found that 27% of hail claims had no evidence of actual hail on the reported date of loss, raising questions about claim timing and validation processes.

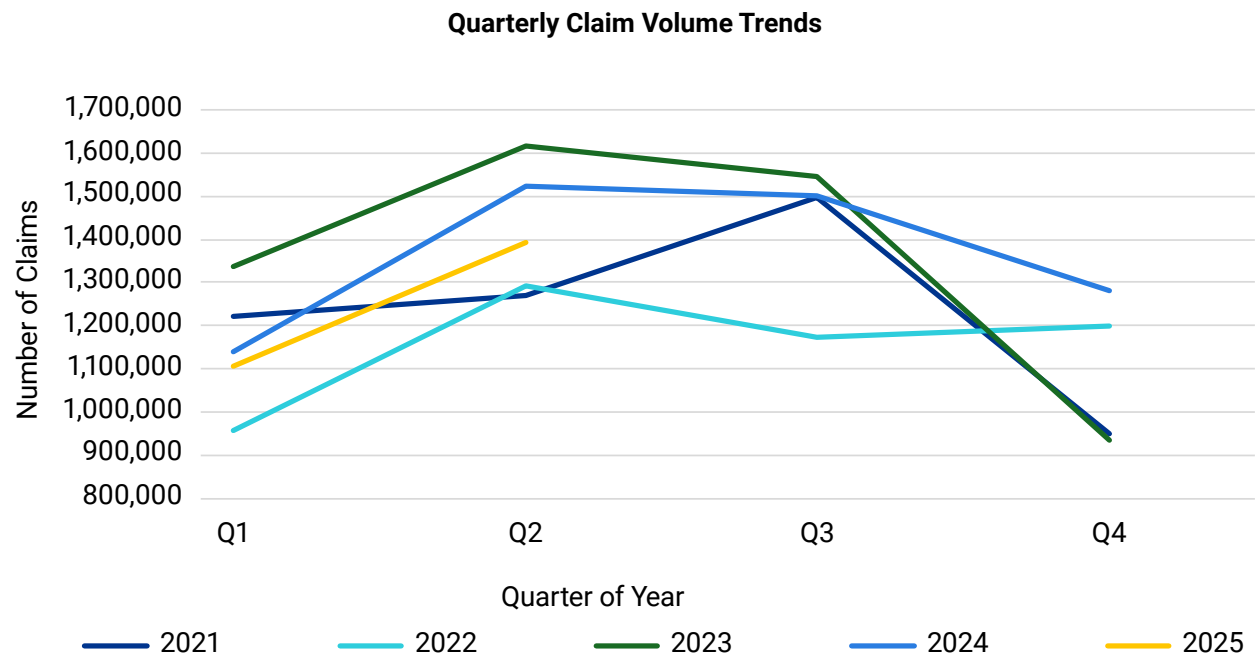
Regional differences were pronounced this quarter. Indiana, West Virginia, and Kentucky all experienced over 50% increases in catastrophe claims due to storm activity, while Colorado, South Dakota, Maine, and Nebraska saw decreases of over 50%. Wind and hail claims increased from 47% of Q1 claims to 63% in Q2, yet overall weather-related losses decreased 9% compared to 2024.

The 3-year downward trend in total claims continued, with Q2 2025 posting 9.6% fewer claims than in the same period last year. Cost pressures persisted with U.S. labor and materials rising 1.06% for the quarter, though roofer costs showed their first decrease since 2014.

Claims Trends

Volume

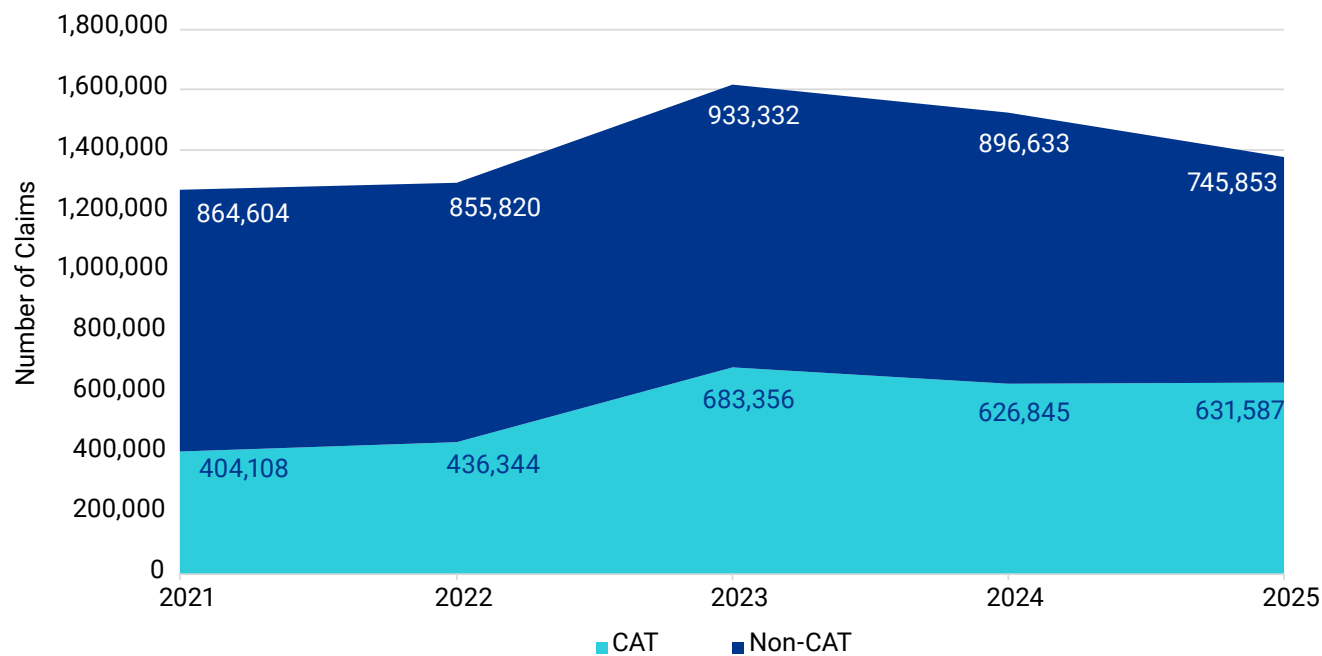
Q2 historically sees significantly more claims than Q1 and usually leads all quarters for the year. Over the past five years, Q2 averages 18% more claims than other quarters. This year followed that pattern with 26% more claims than Q1 2025.



As with Q1, we’re seeing a three-year downward trend in total claim volume continue. Q2 2025 was average overall and relatively mild compared to 2024, with 9.6% fewer claims than Q2 2024.

Most of this decrease came from non-CAT claims, which dropped 16.8%. Meanwhile, CAT claims stayed consistent with just a small 0.76% increase from 2024. This pattern matches what we highlighted in our Q1 2025 report.

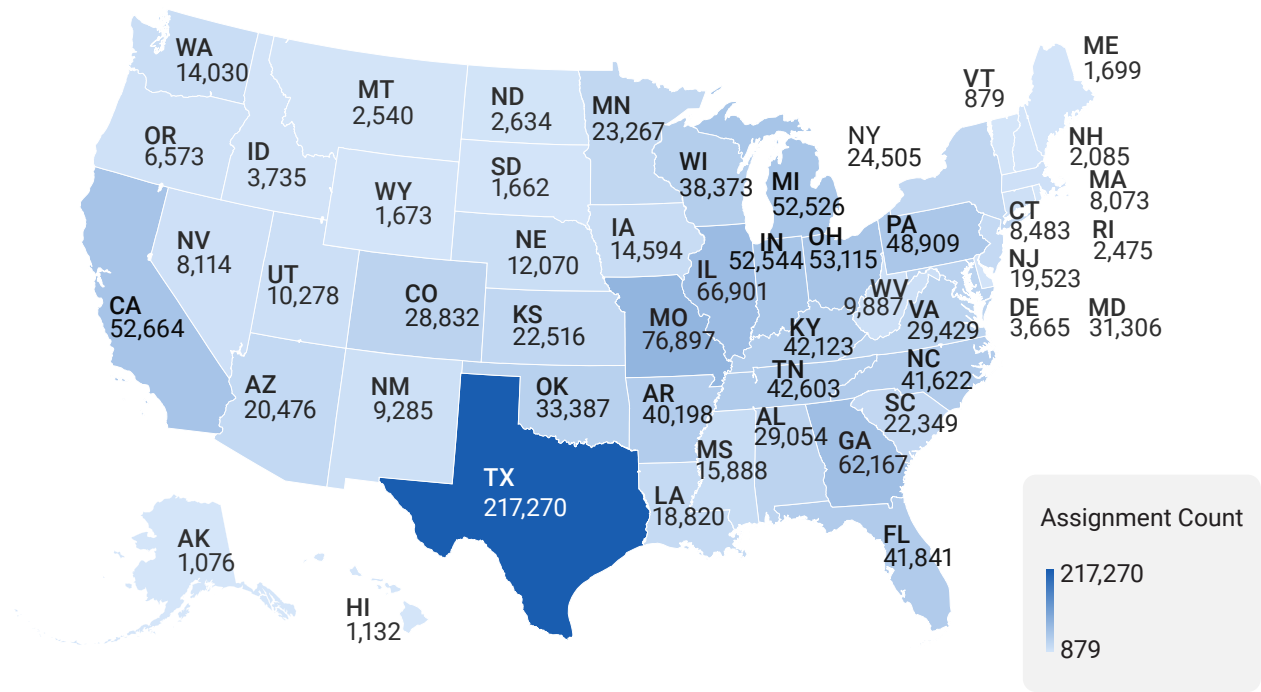
Q2 Total Assignments by Year



Texas typically leads the country every quarter in claim volume, and Q2 2025 was no different. Texas saw 183% more claims than Missouri, the second-place state. Wind/hail claims made up 79% of Texas’ volume, and 75% of those were designated CAT events.

In Missouri, wind/hail claims represented 86% of Q2 volume, with 80% designated as CAT claims. Illinois, Georgia, and Ohio rounded out the top five states for total claim volume.

Q2 2025 Assignment Volume by State



Regional impact analysis

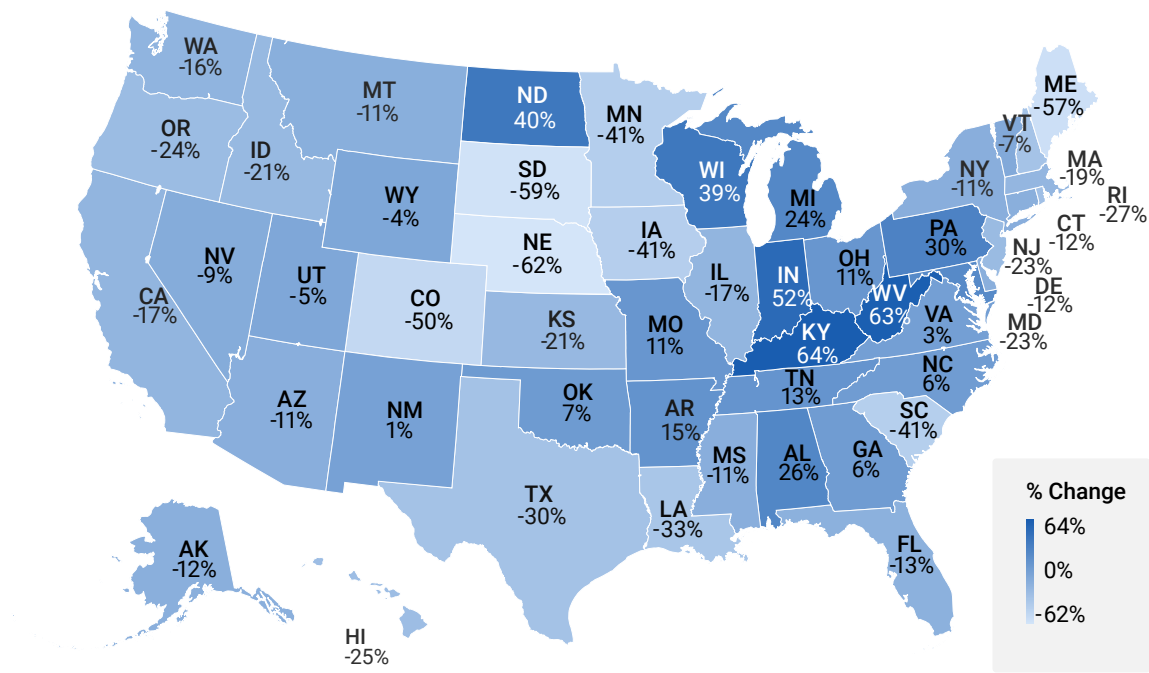
Looking deeper at CAT claims compared to last year reveals insights you can't see from total volume alone. Indiana, West Virginia, and Kentucky all experienced over 50% increases in CAT volume, thanks to significant convective storm activity.

Both Indiana and Kentucky were hit with major wind claims around April 5 and another significant hail event around March 15. West Virginia saw a major hail event around April 12.

On the flip side, Colorado, South Dakota, Maine, and Nebraska all had over 50% decreases in CAT claims from Q2 2024. While Colorado and Nebraska still saw plenty of hail claims compared to 2024, CAT-designated hail claims dropped 36% in Colorado and 28% in Nebraska.

The decrease in CAT activity in South Dakota and Maine came from fewer CAT-designated wind events compared to 2024.

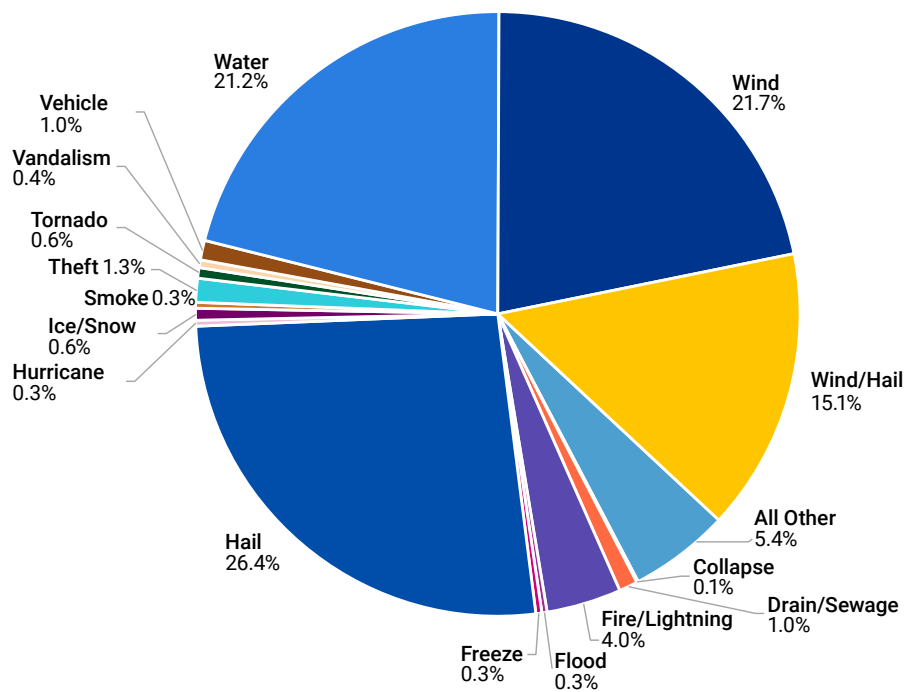
Change in Q2 CAT Claims Count (2024 to 2025)



Claims by type of loss

As we frequently see, wind and hail claims dominated Q2 2025, totaling 63% (combined wind, hail, and wind/hail losses). In Q1 2025, wind and hail claims totaled just 47%. Despite being the largest group of perils by far, wind and hail events averaged a 9% decrease compared to Q2 2024 when averaged across the individual perils.

Q2 2025 Claims by Type of Loss

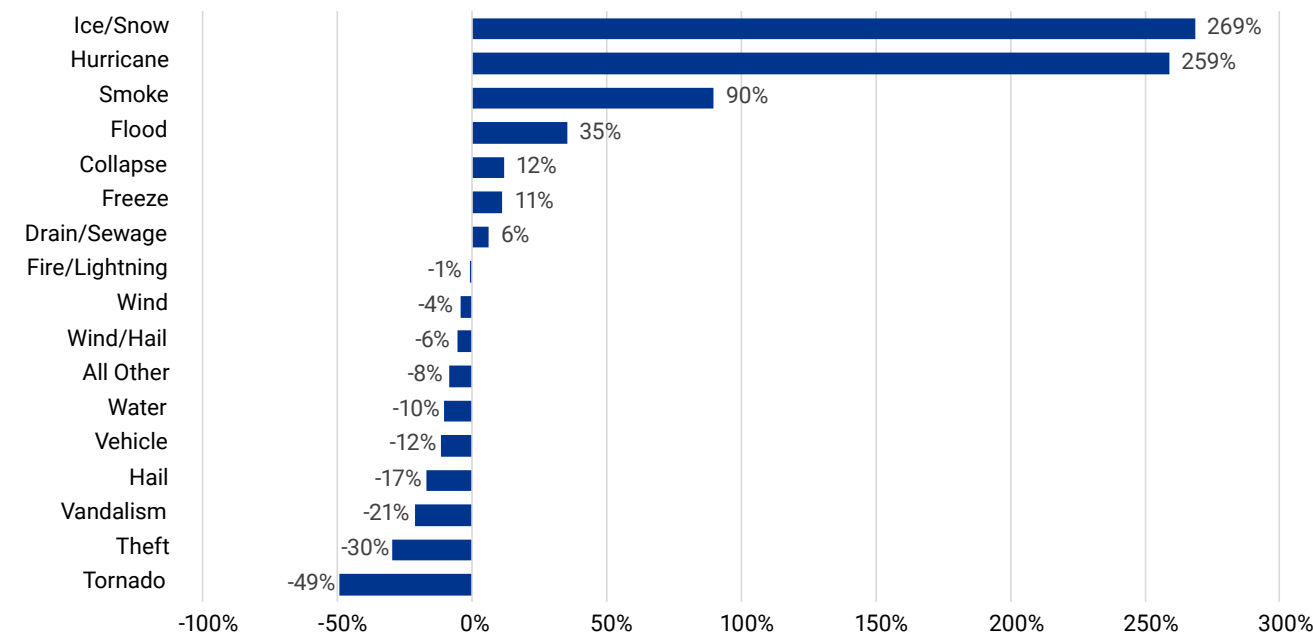


Claims from ice/snow and hurricane showed the biggest changes from Q2 2024 to 2025. Ice/snow claims mainly came from a designated CAT event in Michigan around March 29. The surge in Q2 hurricane claims resulted from late-reported claims from Q4 2024 hurricane activity, primarily in Florida and Georgia.

Both loss types (ice/snow and hurricane) were small overall—only 0.6% and 0.3% of total claim volume, respectively—and estimates with these losses are rare for Q2.



% Change in Q2 Type of Loss from 2024 to 2025



Tornado activity made significant headlines this quarter. The National Oceanic and Atmospheric Administration (NOAA) identified both 2024 and 2025 as above-average years. But 2024 saw most of its deviation from average within Q2, while 2025 saw this activity earlier in Q1.

This is reflected in our claims data as well: tornado claims dropped 49% compared to Q2 2024 while our Q1 Property Report showed a 133% increase compared to Q1 2024.

Weather verification of hail claims

We conducted a special analysis of hail claims using Verisk’s Benchmark® location-specific weather history information. The analysis found that 27% of hail claims in Q2 2025 had no evidence of hail on the reported date of loss or within one day of it.

However, nearly 17% of these claims (about 4.5% of all hail claims) had a potentially damaging hail event within one week of the reported loss date. This could significantly impact how carriers handle and classify these claims in or out of catastrophe events.

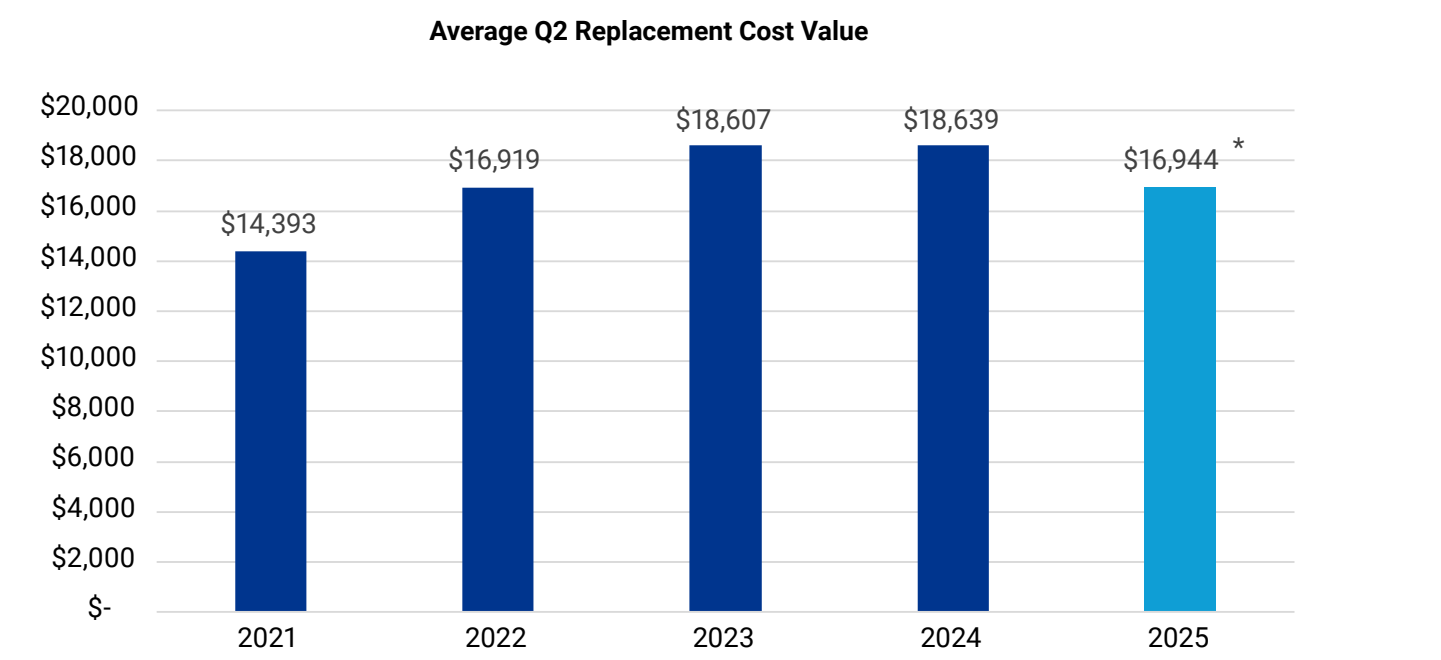
This means 83% of these claims (about 22.5% of all hail claims) had no significant hail events within a week of the reported loss date. This raises concerns about whether claims might fall outside policy periods or prompt notice of claim clauses, plus issues around catastrophe events and increased fraud risk.

[Learn more about Verisk Benchmark and how it helps carriers identify and prevent claims fraud.](#)

Severity

Claim severity is currently down 9% from Q2 2024. However, this number will likely keep rising as larger, more complex claims from the preceding quarter get completed and returned to Verisk's XactAnalysis®.

It typically takes two to three months after the original received date for these larger claims to be completed and their data reflected in the average RCV. As a result, severity generally looks artificially low during this "immature" period.



*subject to change upon data maturity

Since publishing last quarter's Property Report, Q1 2025 has matured another 8% to settle at an average RCV of \$27,212. As a reminder, this figure was unprecedented due to the total loss nature of the California wildfires. You can find a more complete analysis of those fires in the previous report.

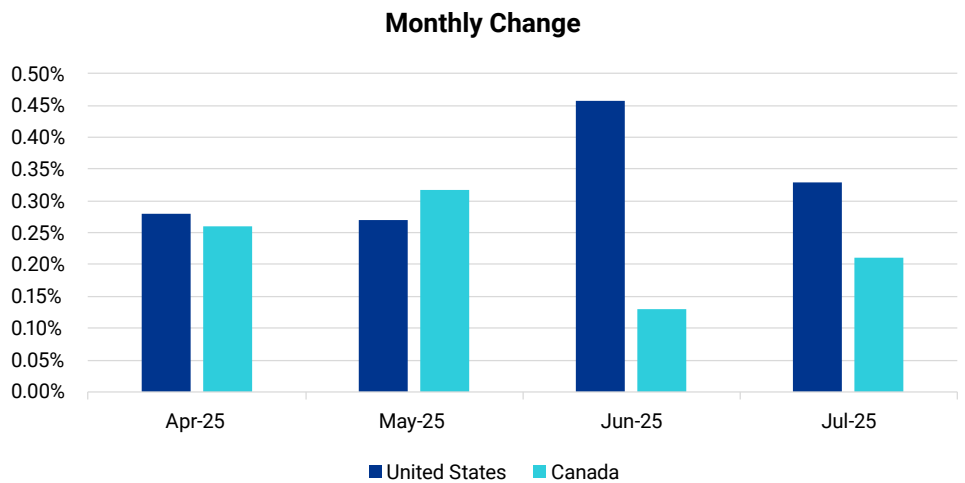
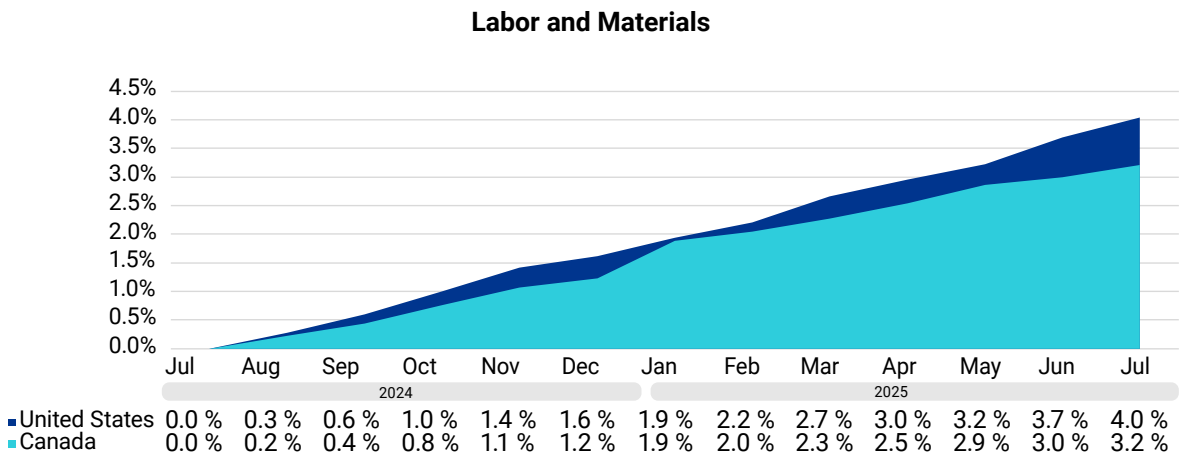
Previous quarters' maturation rates have ranged 3–10%. If we apply these historical rates to Q2's RCV, we might see the mature average RCV somewhere between \$17,452 and \$18,638.

Pricing Data Services

Labor and materials

Labor and materials costs increased 1.06% in the U.S. this quarter, slightly higher than last quarter's 1.00% change. Meanwhile, costs in Canada increased 0.66% this quarter, similar to last quarter's 0.64% increase.

Canada had its largest spike in cost increases during May, jumping 0.32%. The biggest increase in the U.S. happened in June, rising 0.46%.



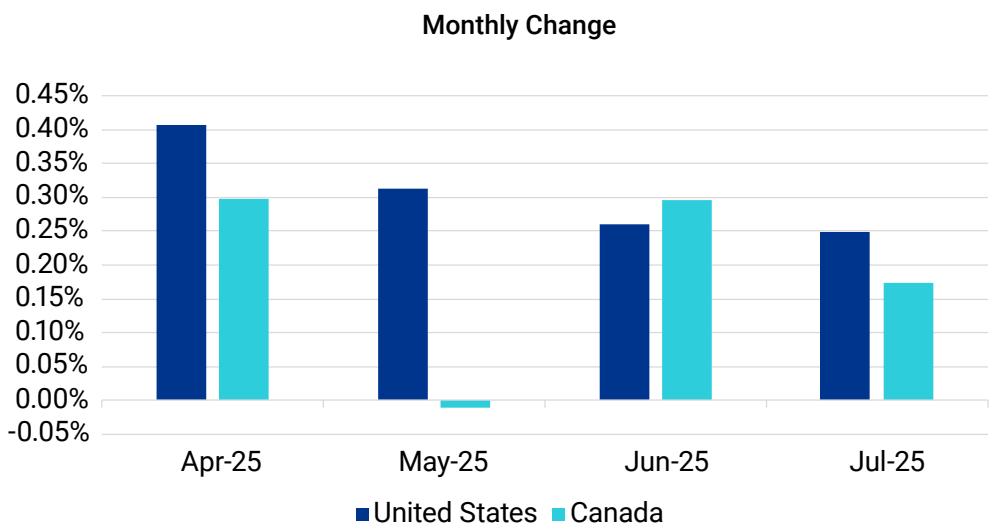
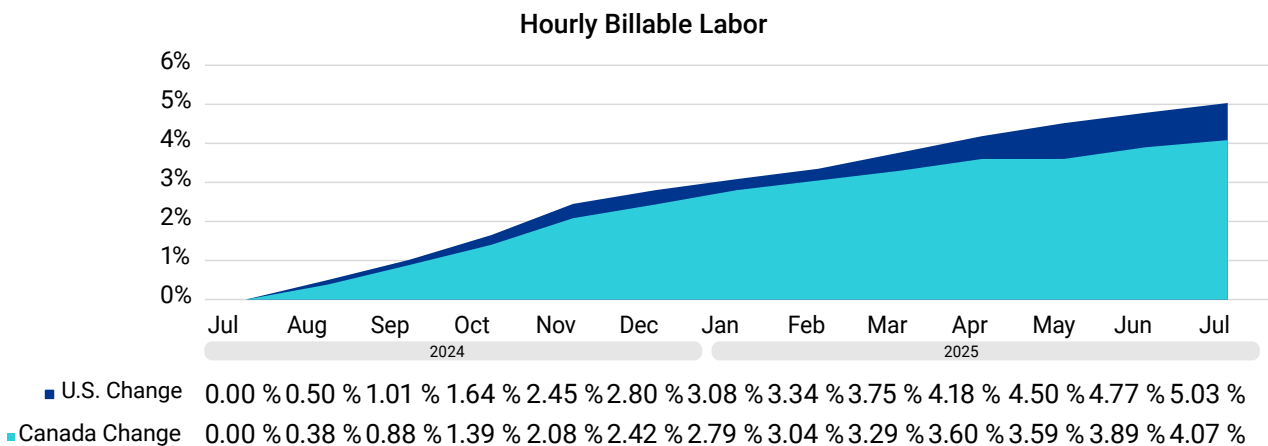
Labor costs

Labor costs kept their upward trajectory but at a more moderate pace than in previous quarters. The controlled growth reflects stabilizing market conditions and improved supply chain efficiency, though regional variations persist based on local market dynamics and project demand.

Combined hourly billable labor costs increased 5.03% and 4.07% from July 2024 to July 2025 in the U.S. and Canada, respectively. The quarterly change was 0.82% compared to last quarter's 1.06% increase in the U.S., while Canada saw costs increase 0.46% after last quarter's 0.78% jump.

Billable labor costs have remained steady since October 2024 after having steeper increases before that, rising 3.34% in the U.S. and 2.65% in Canada.

This quarter, labor costs had their largest monthly growth in April for the U.S., increasing 0.41%. In Canada, the biggest increase occurred in June, rising 0.30%.

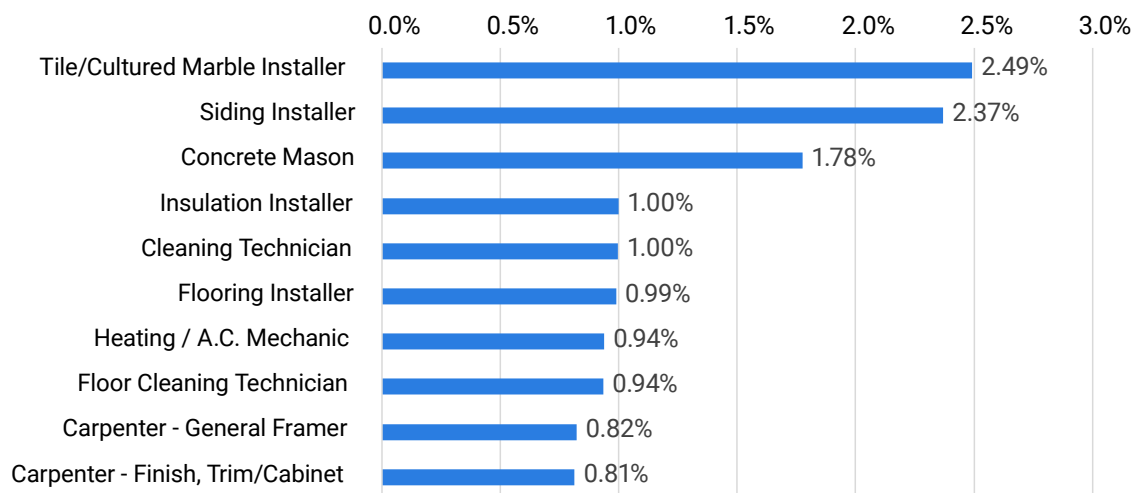


Labor costs by trade

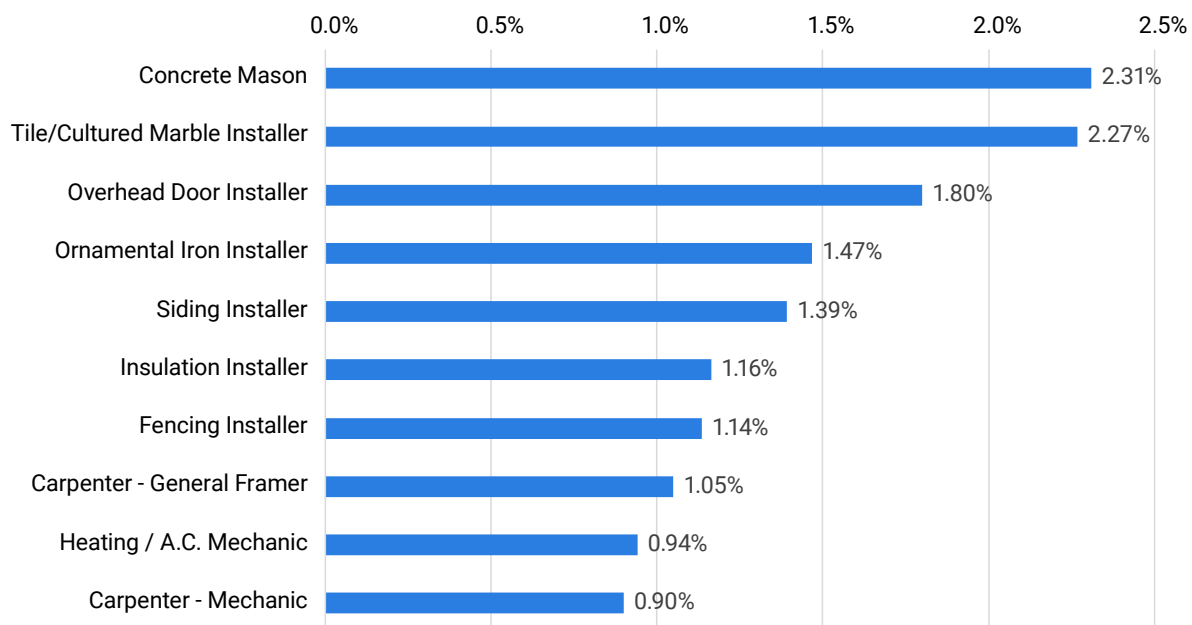
Tile/cultured marble installers had the largest quarterly change in the U.S., increasing 2.49%, followed by siding installers at 2.37%. In Canada, concrete masons had the biggest quarterly change at 2.31%, followed by tile/cultured marble installers at 2.27%.

Each country had one trade that showed a cost decrease for the quarter. Roofer costs dropped 0.28% in the U.S., while painter costs fell 0.81%. The last time roofers showed a decrease in the U.S. was June 2014. In Canada, painters last showed a decrease in April 2016.

Top 10 Trades by Hourly Billable Labor, U.S. (April 2025 - July 2025)



Top 10 Trades by Hourly Billable Labor, Canada (April 2025 - July 2025)



Materials

Material costs rose 2.81% from July 2024 to July 2025 in the U.S. while increasing 1.66% in Canada. The largest monthly increase this quarter was 0.85% in the U.S., occurring in June 2025. Canada's highest monthly increase was in April at 0.23%.

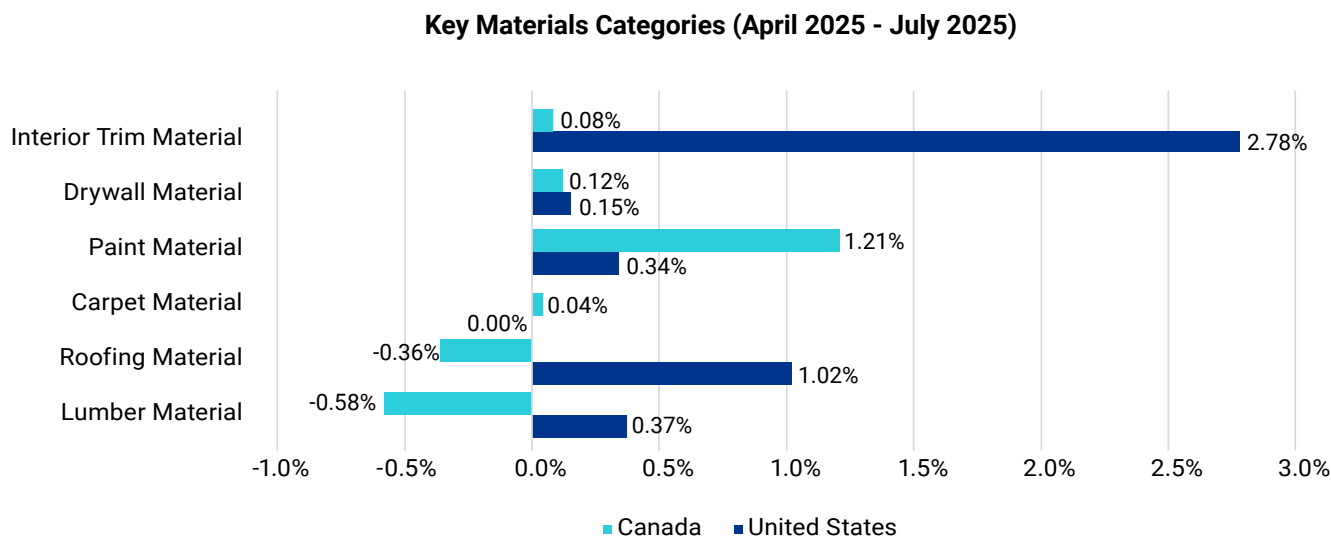
The significant June spike in the U.S. largely resulted from increased costs of condenser units and heating/AC registers.

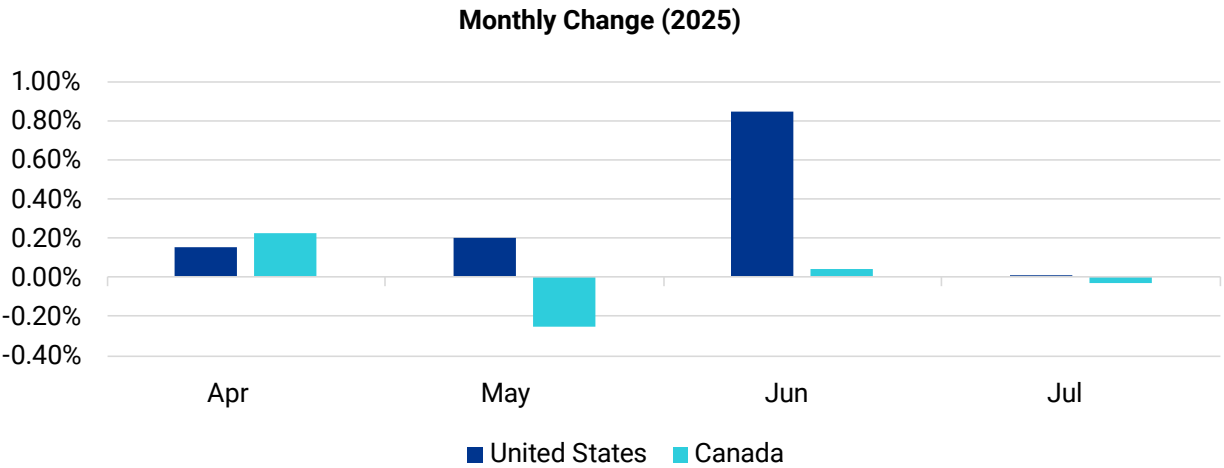
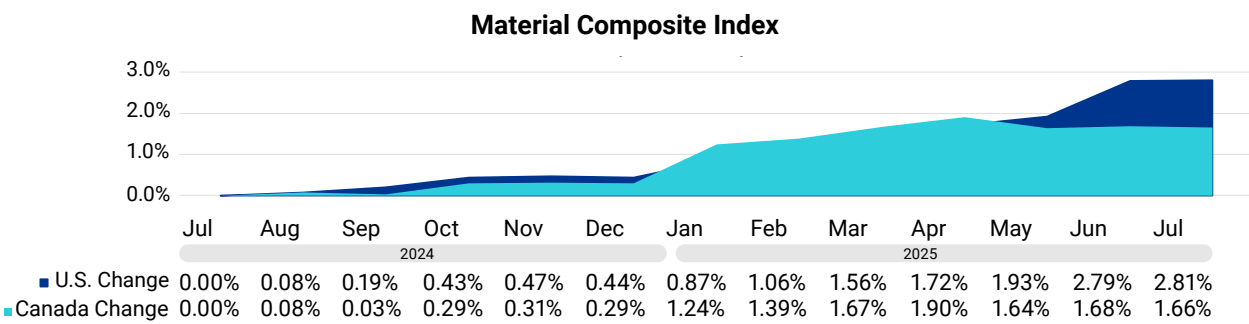
Roofing material had the largest yearly increase in the U.S. at 2.39%. This marks the second quarter in a row where roofing material had the highest year-over-year increase. Paint material had the largest increase in Canada at 2.45%.

Looking at quarterly changes, interior trim material increased the most in the U.S. at 2.78%. Paint material had the largest increase in Canada at 1.21%. This is the second straight quarter that paint material had the biggest quarterly increase in Canada.

Carpet material in the U.S. was the only material to remain flat with no change.

Material costs appear to be slowing in Canada since March 2025, with costs relatively flat, decreasing 0.01%. In the U.S., costs increased 1.23% for the same period.





Lumber

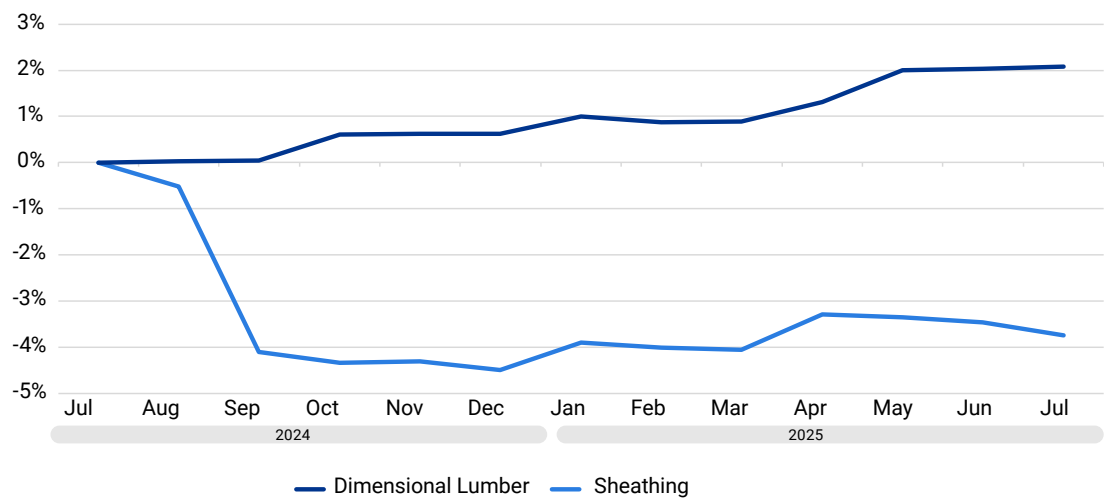
Lumber material costs remained stable in the U.S., increasing just 0.22%. Lumber costs in Canada had a much larger increase over the past 12 months at 2.29%, largely due to dimensional lumber (not sheathing) costs, which increased 4.02% over the past 12 months. However, over the past quarter, lumber material decreased 0.58%.

The only cost decreases were in Canada: lumber and roofing material, which dropped 0.58% and 0.36% respectively.

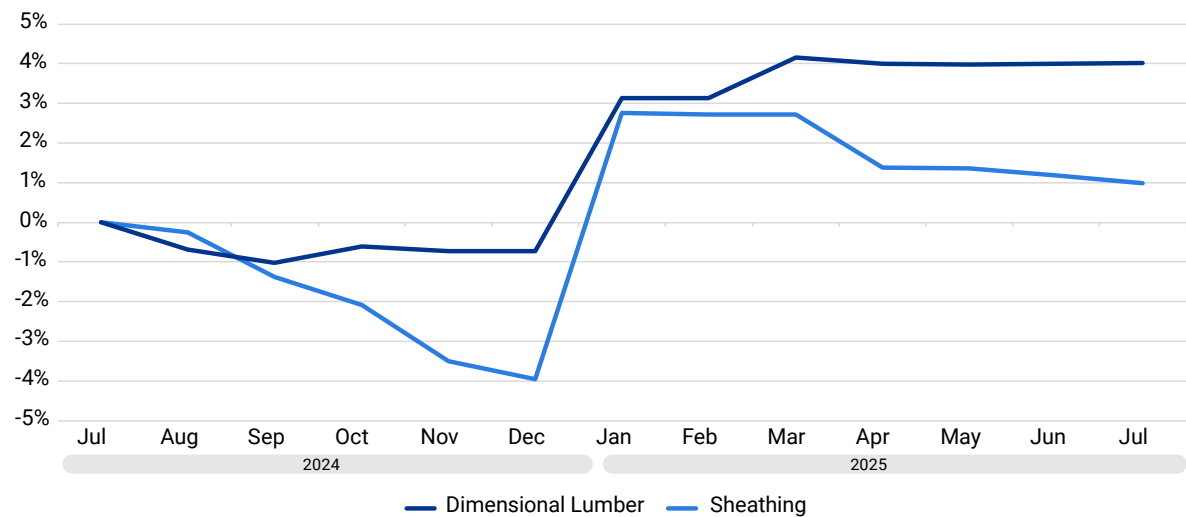
Over the past 12 months, sheathing materials show a 3.74% decrease in the U.S. and a 0.98% increase in Canada. Dimensional lumber increased 2.08% in the U.S. and 4.02% in Canada.

Over the past quarter, sheathing materials decreased 0.46% in the U.S. and 0.41% in Canada. Dimensional lumber increased 0.77% in the U.S. and 0.03% in Canada.

Lumber Material Trend, U.S.



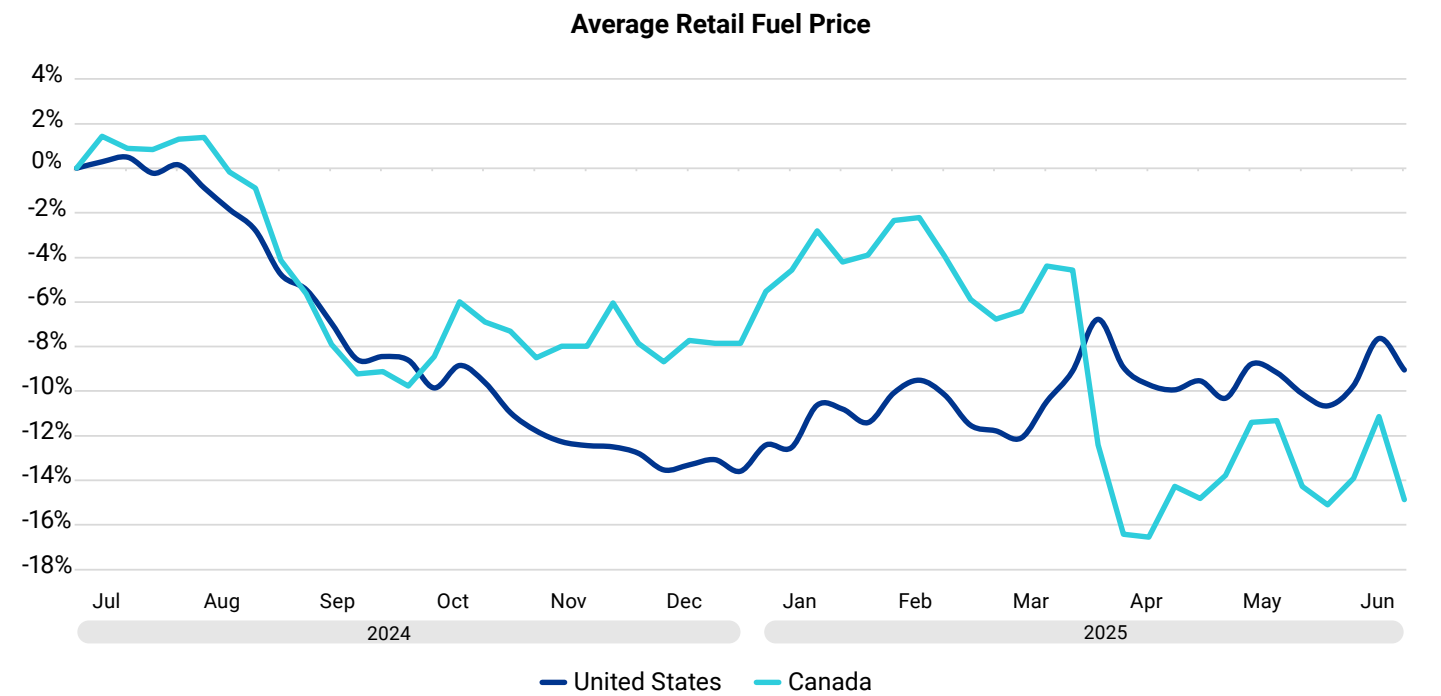
Lumber Material Trend, Canada



Fuel cost

Fuel costs increased 0.06% in the U.S. and decreased 10.80% in Canada this quarter. Last quarter, fuel costs increased 3.64% in the U.S. and 3.58% in Canada.

As Q3 starts, Oklahoma has the lowest average gas price at \$2.67 per gallon, while California has the highest at \$4.54 per gallon, followed by Hawaii at \$4.42 per gallon. Alberta has the lowest fuel costs currently in Canada at 126.6 cents per litre, while Newfoundland has the highest at 154.5 cents per litre.



Total reconstruction costs in the U.S., including materials and retail labor, increased 4.21% from July 2024 to July 2025, down from the 4.85% increase from July 2023 to July 2024. Cost growth slowed in Q2 2025, increasing 0.65% compared to a 1.13% increase in the previous quarter.

Total reconstruction costs in Canada increased 4.22% from July 2024 to July 2025, slightly up from the 4.01% increase from July 2023 to July 2024. Cost growth in Q2 2025 increased 0.61% compared to 0.67% in the previous. quarter.

Year Change

7.19%

1.88%

State	Year Change (%)
Alaska	3.30%
Arizona	4.29%
California	4.39%
Colorado	5.40%
Connecticut	4.02%
Delaware	3.52%
District of Columbia	3.63%
Florida	4.08%
Georgia	6.24%
Idaho	4.38%
Illinois	5.33%
Indiana	4.61%
Iowa	5.04%
Kansas	4.52%
Kentucky	4.04%
Louisiana	3.31%
Maine	3.05%
Maryland	4.86%
Massachusetts	3.43%
Michigan	5.15%
Minnesota	6.26%
Mississippi	3.96%
Missouri	4.58%
Montana	4.71%
Nebraska	4.54%
Nevada	5.06%
New Hampshire	3.03%
New Jersey	4.28%
New Mexico	3.35%
New York	4.86%
North Carolina	3.89%
North Dakota	4.67%
Ohio	4.32%
Oklahoma	3.16%
Oregon	4.24%
Pennsylvania	3.54%
Rhode Island	3.89%
South Carolina	3.80%
South Dakota	4.04%
Tennessee	3.23%
Texas	3.16%
Utah	4.38%
Vermont	3.05%
Virginia	3.90%
Washington	4.39%
West Virginia	3.42%
Wisconsin	5.26%
Wyoming	4.58%

Residential reconstruction costs

Residential costs increased 3.98% from July 2024 to July 2025 and 0.70% from April 2025 to July 2025. Residential reconstruction costs increased year-over-year in all states.

Kansas had the largest 12-month increase for the third consecutive quarter at 6.62%, followed by Minnesota and Georgia which both increased 5.79%. South Dakota had the largest quarterly increase of 1.68%, followed by Nevada at 1.59%. Connecticut and Louisiana had the lowest quarterly change, both increasing 0.35%.

In Canada, residential costs increased 4.33% from July 2024 to July 2025 and 0.72% from April 2025 to July 2025. Residential reconstruction costs increased year-over-year in all provinces.

Manitoba had the largest increase at 6.37%, followed by Alberta at 5.22%. British Columbia had the largest quarterly increase at 1.55%, followed by Manitoba at 1.02%. Alberta was the only province to see a decrease over the quarter, dropping 0.17%.



Commercial reconstruction costs

In the U.S., commercial reconstruction costs increased 4.44% from July 2024 to July 2025 and 0.60% from April 2025 to July 2025. Maine had the largest yearly increase at 8.56%, followed by Kansas at 7.76%.

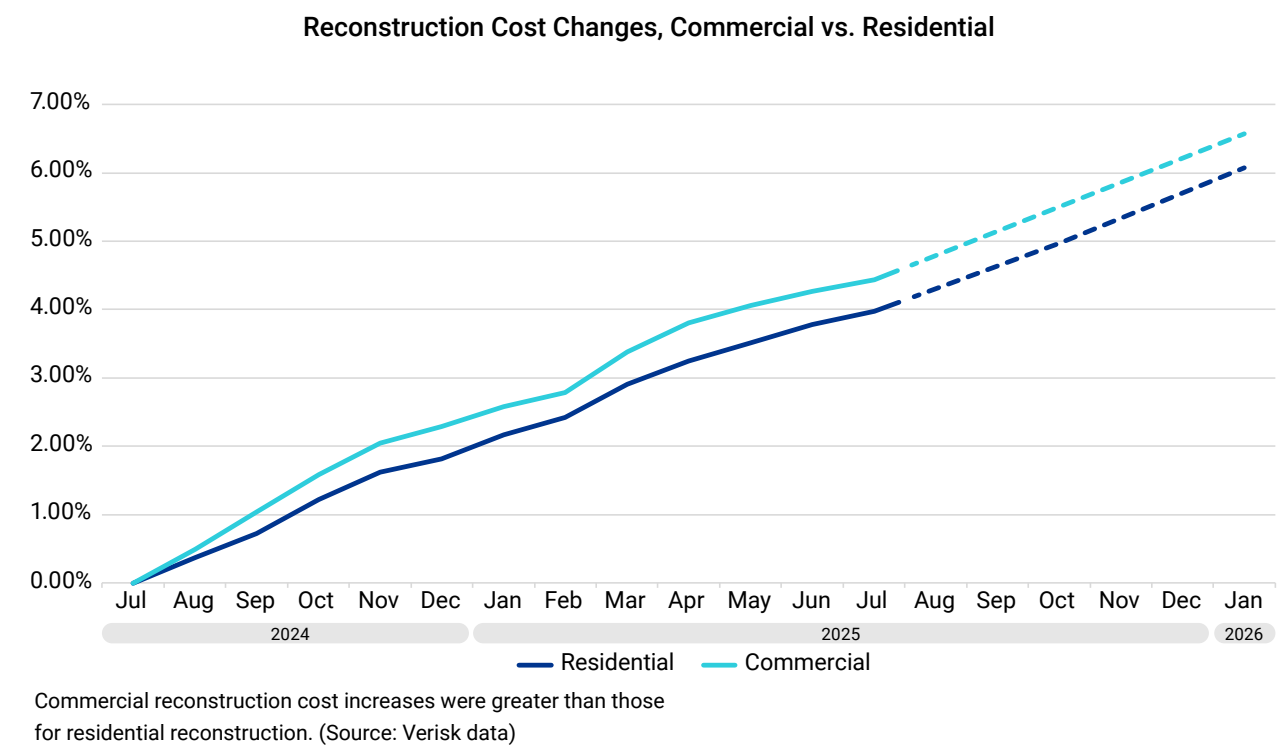
Washington, D.C., had the largest quarterly increase at 1.91%, followed by Indiana, which increased 1.59%. Connecticut was the only state to decrease this past quarter, dropping slightly by 0.05%.

In Canada, commercial reconstruction costs increased 4.11% from July 2024 to July 2025 and 0.49% from April 2025 to July 2025. Manitoba had the largest yearly increase at 6.44%, followed by Alberta at 5.58%.

British Columbia had the highest increase at 1.56%, followed by Newfoundland at 0.61%. Alberta had the lowest quarterly increase at 0.03%.

Reconstruction Cost Market Expectations

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



Economic indicators

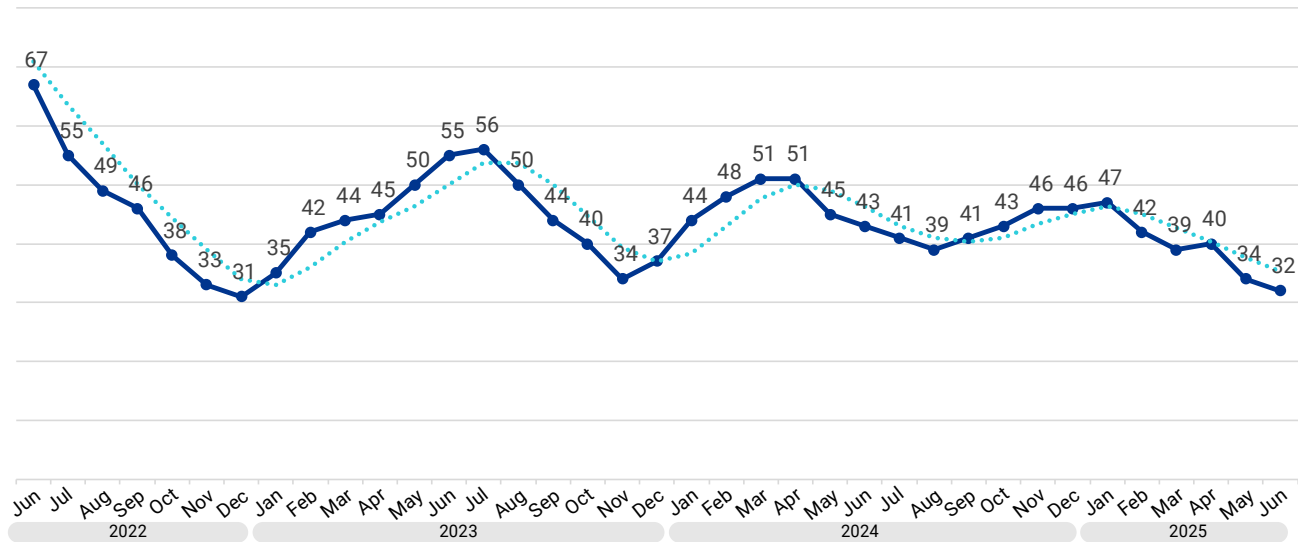
According to the NAHB/Wells Fargo Housing Market Index, builder confidence sits at 32, dropping seven points over the last quarter. This follows another seven-point drop from the quarter before. Compared to the same time last year, the HMI is down 11 points.

An index of 32 is low for the summer season and usually occurs during winter months when construction slows. The most recent time the index was lower than 32 was December 2022, when it hit 31. The index has ranged from 47 to 32 from mid-2024 to mid-2025 and appears to be trending slightly downward as builders become more cautious with demand and costs in flux, plus labor shortages resulting in slower home construction activity.

All three indices the HMI tracks decreased over the last quarter:

- Current sales conditions dropped 8 points this last quarter after decreasing another 5 points the quarter prior
- Sales expectations in the next six months dropped 7 points during the last quarter after decreasing 16 points the prior quarter
- Traffic of prospective buyers decreased 3 points this last quarter after decreasing 7 points the quarter prior

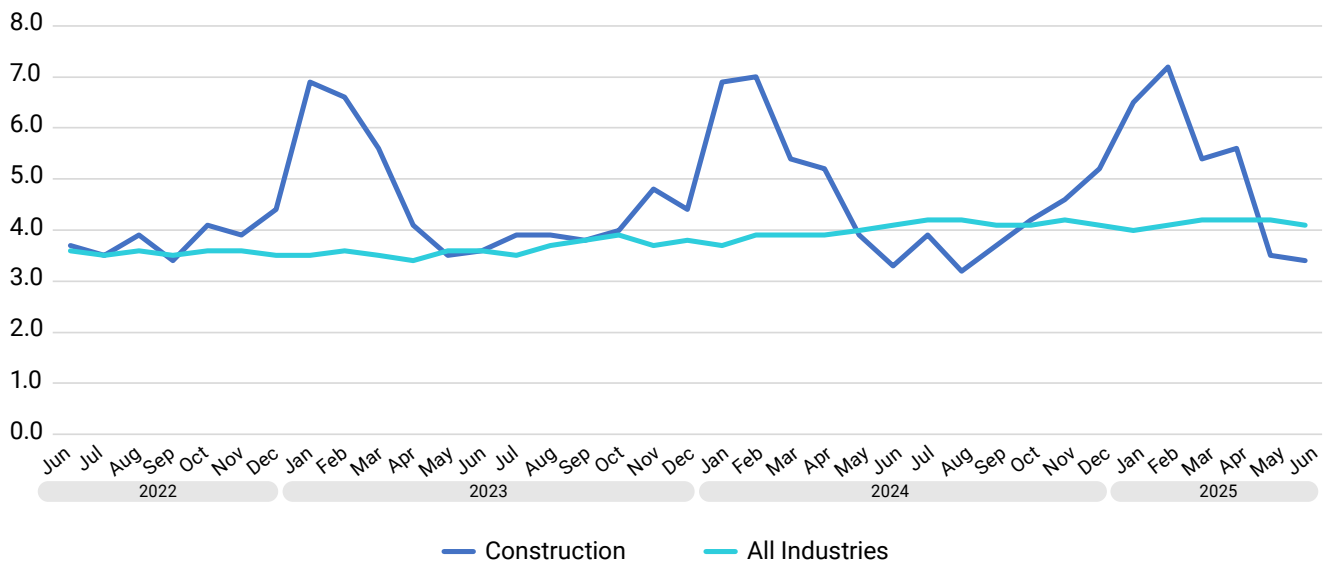
NAHB/Wells Fargo National Housing Market Index



The unemployment rate in the construction industry decreased 2.0% this past quarter after increasing 0.2% in the prior quarter. This rate should stabilize over the next couple of months before beginning to increase during winter, aligning with the construction sector's seasonality. Compared to all industries, construction unemployment is 0.70% lower.

Unemployment rates commonly show strong seasonal trends as activity slows in winter and increases during summer. To see these as well as more indicators for the construction industry, visit the [Bureau of Labor Statistics](#).

Construction Unemployment Rate

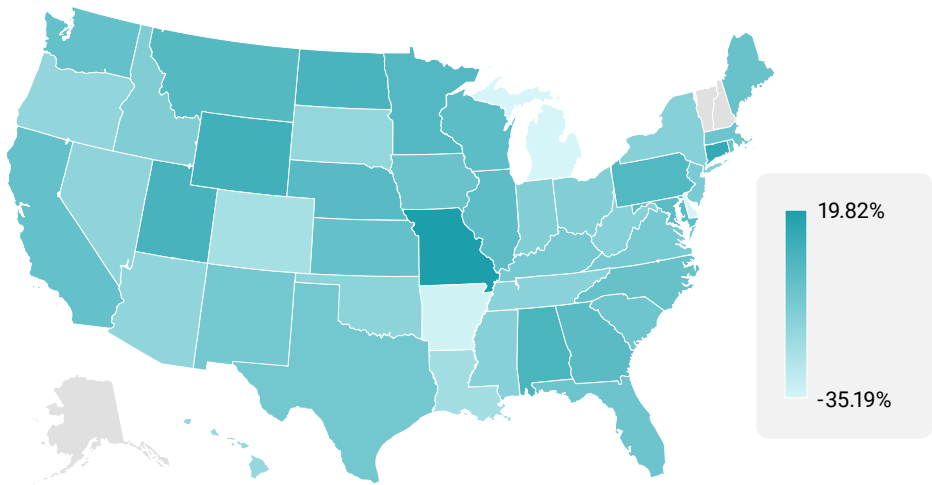


According to Verisk’s building permit data , building permits increased 4.00% over the last three months, much lower than the 15.55% increase from the three months prior, signaling lower construction activity. No permit types showed three-month declines this release. Residential construction permits increased 4.30%, and non-residential permits increased 2.69% over the past three months.

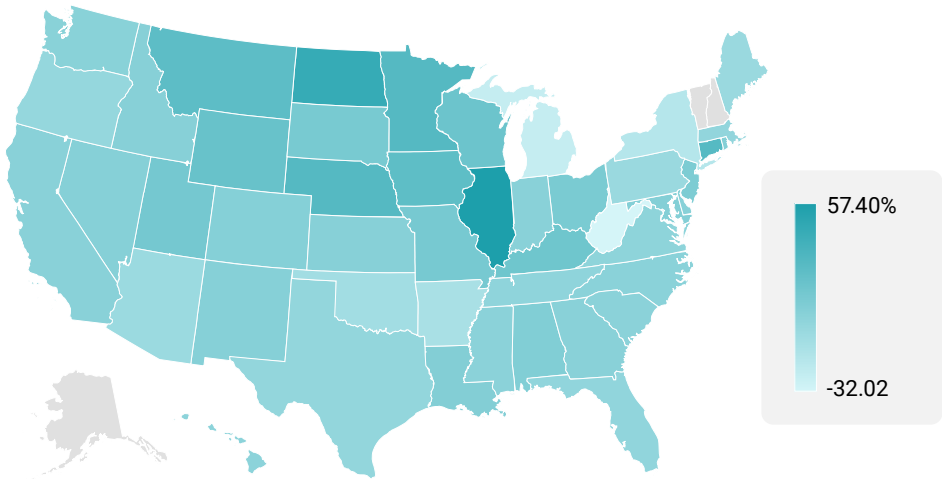
Building permits are down 4.56% from a year ago, with residential construction showing a 2.13% decrease and non-residential construction decreasing 5.38%. Missouri had the largest increase from a year ago at 19.82%, while Minnesota permits decreased the most at 35.19%. 33 States had year-over-year decreases.

Illinois had the largest increase in permits this quarter (57.40%), while West Virginia decreased the most (32.02%).

Change in Building Permits by State (June 2024-June 2025)



Change in Building Permits by State (April 2025-July 2025)



Conclusion

Q2 2025 was a quarter of contrast—claims volumes declined overall while 27% of hail claims showed no weather evidence on their reported dates. These findings, along with regional disparities and plummeting builder confidence, reveal critical trends facing the industry:

The quarter showed traditional seasonal increases with 26% more claims than Q1, yet maintained the three-year downward trend when compared to previous years. Wind and hail claims dominated the period at 63% of all claims, reflecting the concentrated severe weather activity typical of spring and early summer.

Significant state-by-state variations in catastrophe claims highlighted how important localized risk assessment has become. While states like Indiana, West Virginia, and Kentucky saw over 50% increases in CAT volume due to specific storm events, Colorado, South Dakota, Maine, and Nebraska experienced notable decreases, emphasizing the need for granular geographic analysis.

Labor and material costs continued climbing upward with U.S. costs rising 1.06% for the quarter. The specialized nature of certain trades, particularly tile/cultured marble installers and siding installers, drove higher cost increases, while some trades like roofers showed their first decrease since 2014.

Builder confidence continued declining, reaching 32 on the NAHB/Wells Fargo Housing Market Index—a level typically seen in winter months. This seven-point quarterly drop, following another seven-point decline in the previous quarter, suggests contractors are becoming increasingly cautious about market conditions.

Analysis revealed that 27% of hail claims had no weather evidence on the reported date of loss, raising important considerations for claim validation and fraud prevention efforts.

Where to get more insights:

Industry trends reports

Examine pricing trends for key material and labor changes across multiple trades on national, state or province, and local levels. Trends are viewable monthly or over extended periods. Contact your sales representative or call 1-800-424-9228 for more information or access.

Pricing methodology white paper

Gain further insight into Verisk's process for researching and publishing pricing information.

360Value quarterly reconstruction cost analysis

Get an overview of current reconstruction cost trends at the national and state levels for the U.S.

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