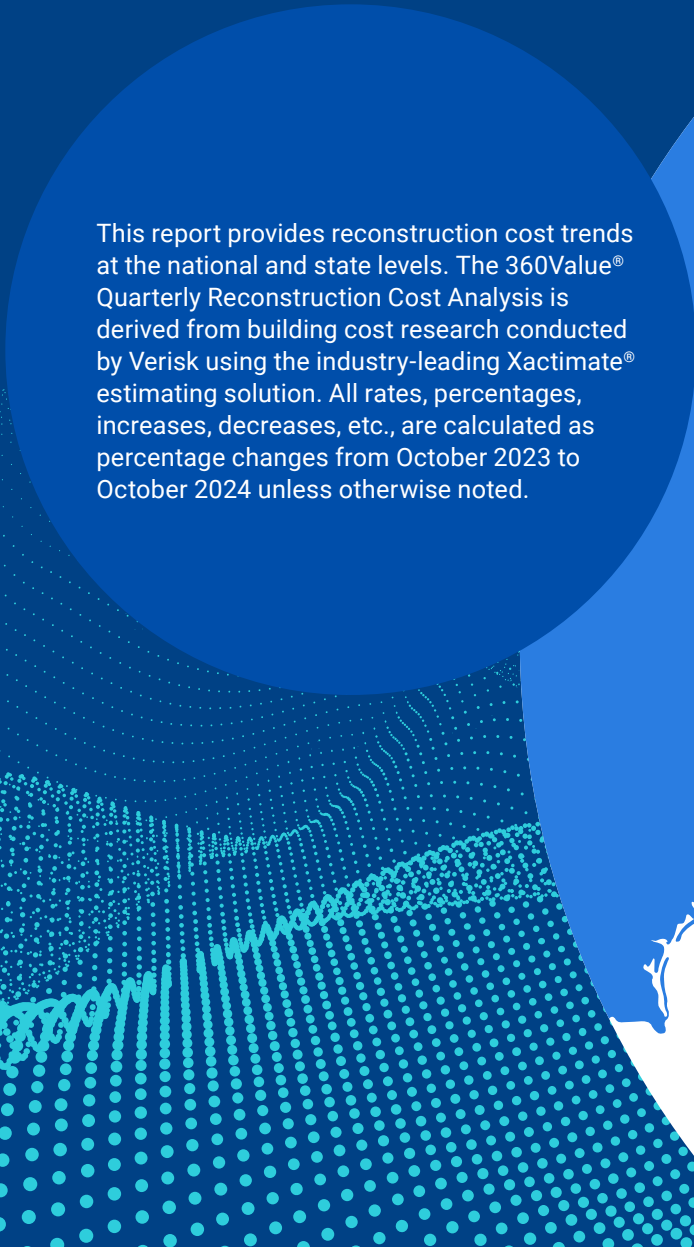
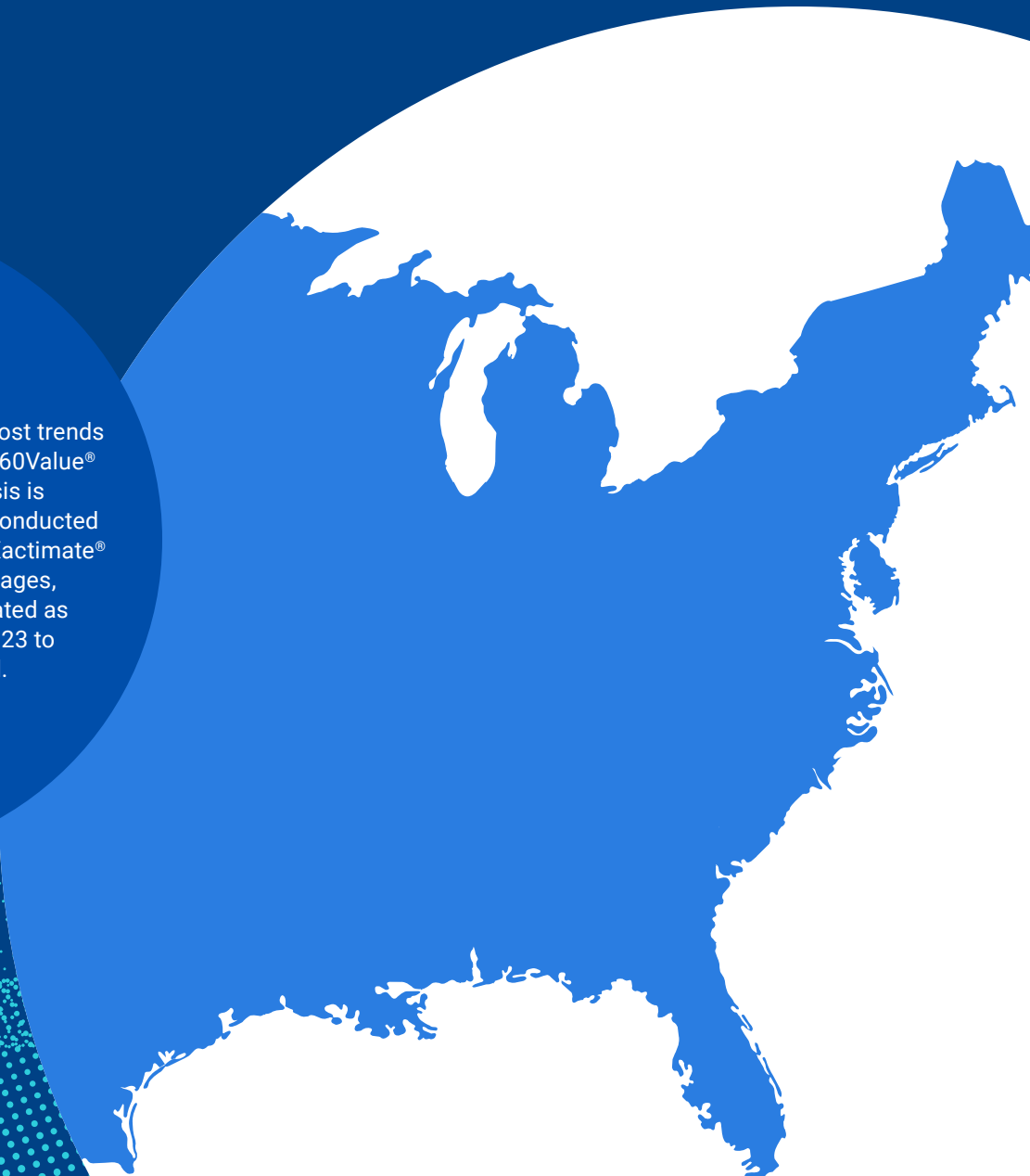




# 360Value Quarterly Reconstruction Cost Analysis

Q4 2024: 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 rates, percentages, increases, decreases, etc., are calculated as percentage changes from October 2023 to October 2024 unless otherwise noted.



# Cost growth accelerates

Total reconstruction costs in the United States, including materials and retail labor, increased by 4.9% from October 2023 to October 2024. This is slightly down from cost growth from October 2022 to October 2023 (5.1%), and cost growth in Q3 2024 also dipped to 1.4% from 1.6% the previous quarter.

## Reconstruction Costs

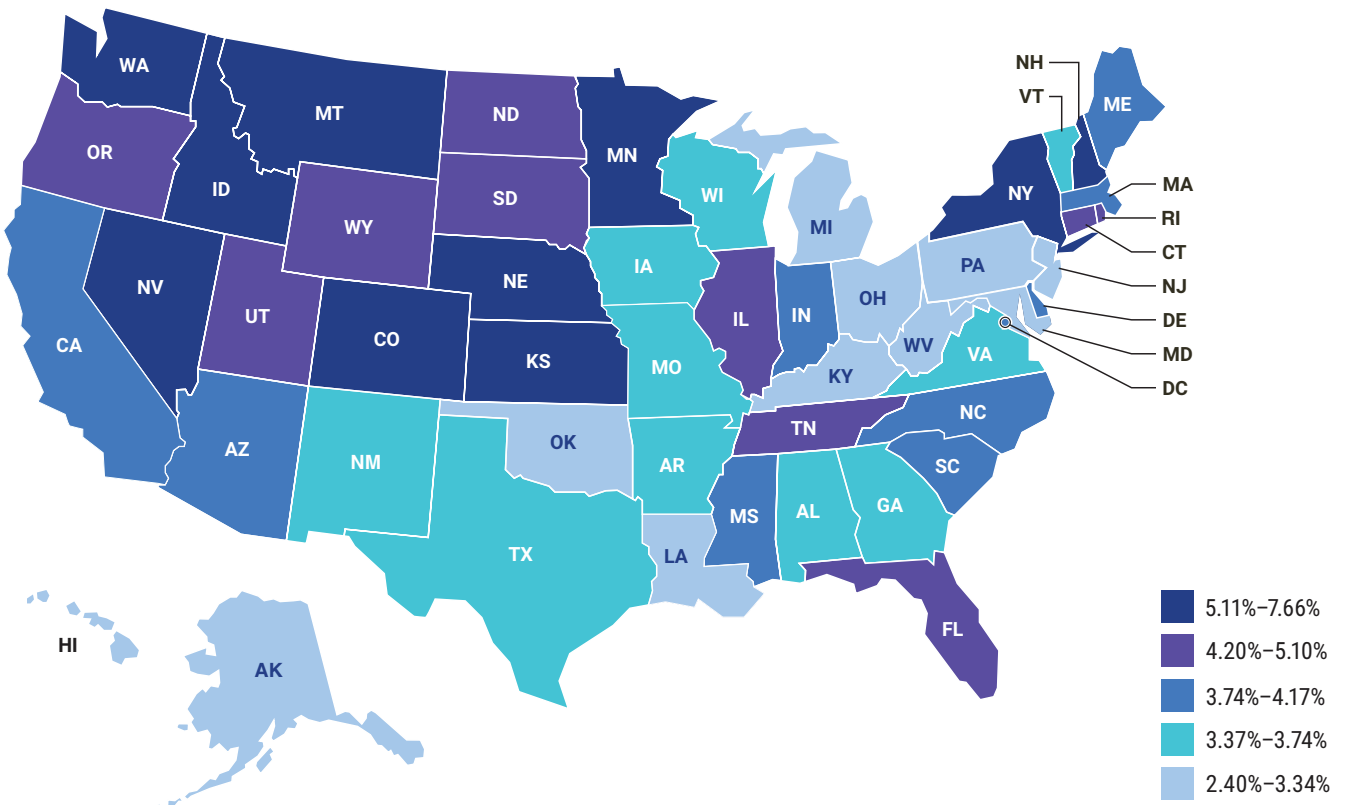
### Residential Reconstruction Costs

Total residential costs increased by 4.2% from October 2023 to October 2024 and 1.2% from July 2024 to October 2024. Residential reconstruction costs increased year over year in all states. New Hampshire had the largest increase at 7.66%, followed by Nebraska (6.41%) and Kansas (6.20%).

Minnesota's rank changed most significantly, from 42<sup>nd</sup> in July 2024 to 6<sup>th</sup> in October 2024; costs were up 5.62% in the state year-over-year. Maine followed with a rise from 44<sup>th</sup> to 22<sup>nd</sup> on a 4.17% increase. Illinois and the District of Columbia jumped 20 places with increases of 4.27% and 3.85%, respectively.

Hawaii had the largest drop, going from 14<sup>th</sup> place to 48<sup>th</sup>, with a residential cost increase of 2.77%. Massachusetts went from 9<sup>th</sup> to 24<sup>th</sup> with a cost increase of 4.02%.

### Changes in residential reconstruction costs by state



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

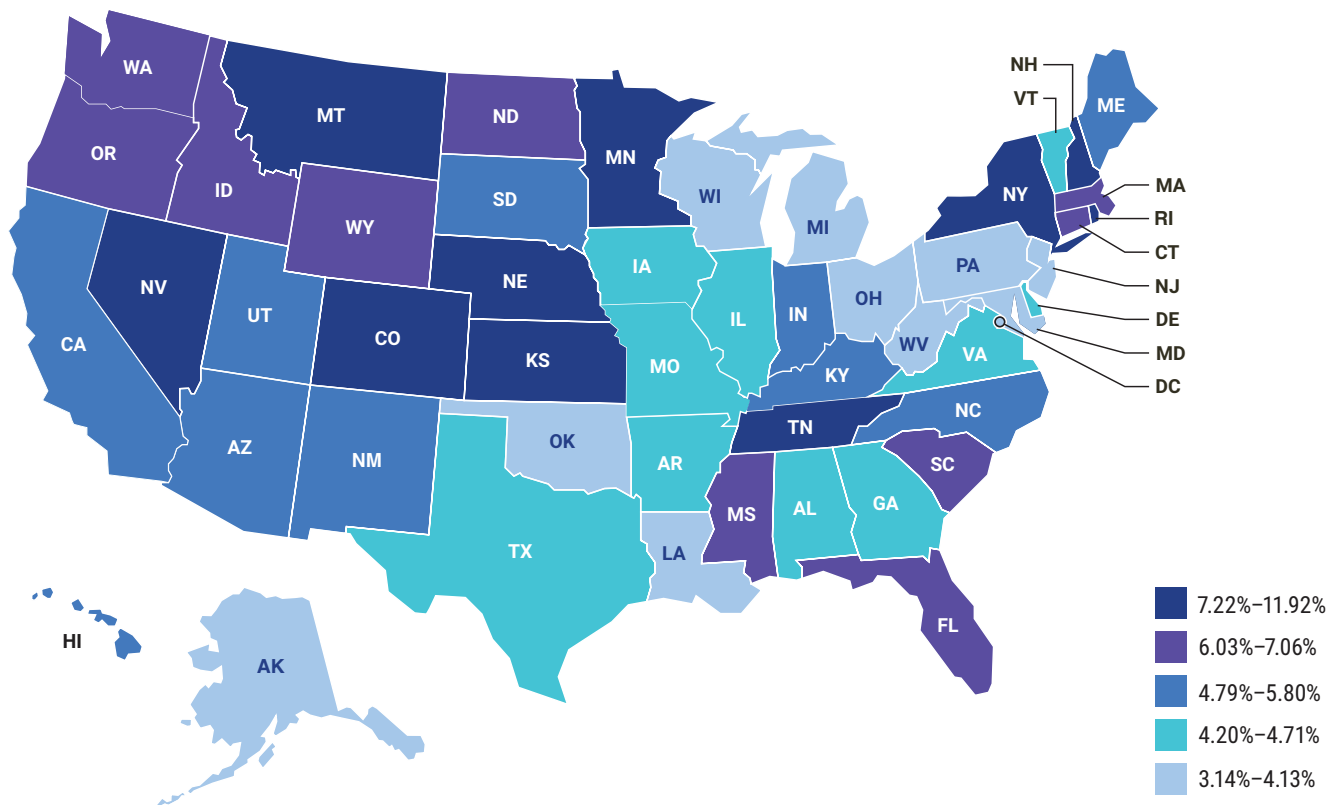


### Commercial Reconstruction Costs

Total commercial reconstruction costs increased 5.6% from October 2023 to October 2024 and 1.6% from July 2024 to October 2024. Commercial reconstruction costs increased by at least 3.14% in all states. As with residential costs, New Hampshire had the largest increase at 11.92%, followed by New York at 8.13%. Montana had the third-highest commercial cost increase at 7.93%.

Kansas had the largest rank jump—from 39<sup>th</sup> to 4<sup>th</sup>—with an increase of 7.92%. Maine rose from 47<sup>th</sup> to 21<sup>st</sup> with a cost increase of 5.80%, while Minnesota rose from 33<sup>rd</sup> to 9<sup>th</sup>, increasing 7.33%. Hawaii saw the largest downward change, going from 10<sup>th</sup> to 28<sup>th</sup> place with a 4.88% increase, and Maryland dropped from 32<sup>nd</sup> to 49<sup>th</sup> with a 3.39% cost increase.

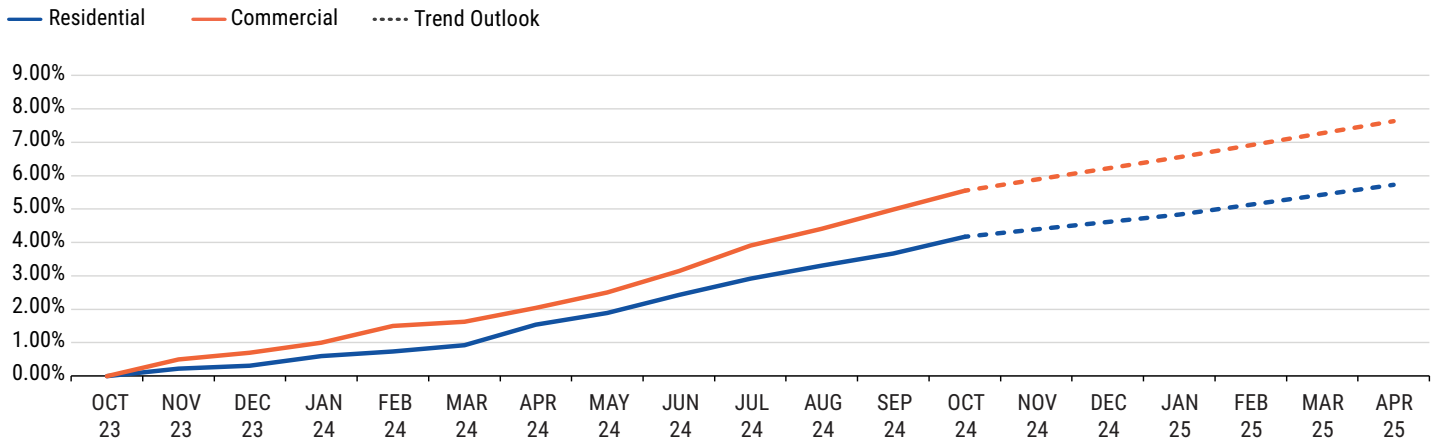
### Changes in commercial reconstruction costs by state



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

Market expectations for reconstruction costs anticipate a 1.49% increase for residential and 1.98% for commercial from October 2024 to April 2025.

**Growth in residential and commercial reconstruction costs by month**



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

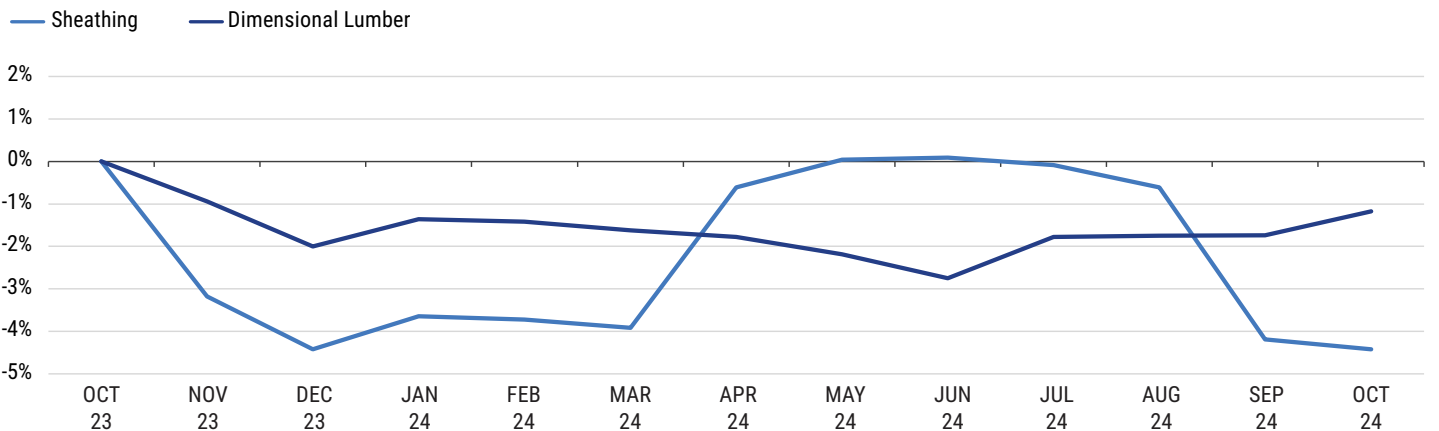
## Labor and materials

### Material cost analysis

Material costs rose by 1.9% from October 2023 to October 2024. However, the trends were variable over the 12 months—declining through the first quarter of 2024 and rising monthly at an accelerating pace thereafter. The largest monthly increase was 0.24% from September to October.

Lumber showed a 12-month decrease of 2.20% after a 12-month increase of 2.12% from July 2023 to July 2024. It was the only material category that had a 12-month decline, mostly due to a drop from August to September attributed to the cost of sheathing materials, which decreased 3.59%. Meanwhile, dimensional lumber increased 0.01%. Sheathing material costs have been much more volatile than dimensional lumber over the past year.

**Material costs of sheathing vs. dimensional lumber**



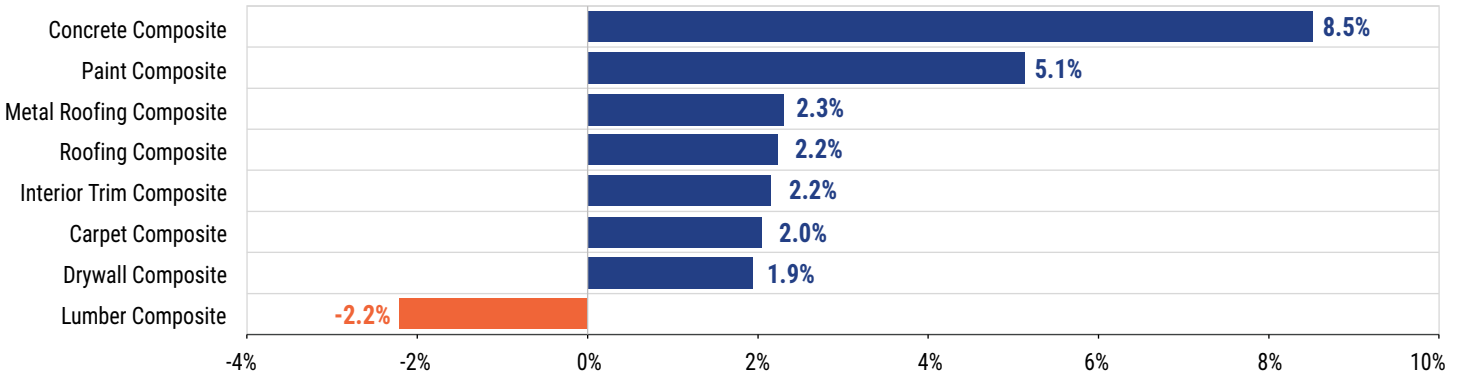


**Lumber industry trend report**

Concrete material had the largest quarterly increase, up 1.77%, and the largest yearly increase at 8.5%. Paint increased 5.1% year over year, while metal roofing, roofing, interior trim, carpet, and drywall increased in a narrow band of around 2%.

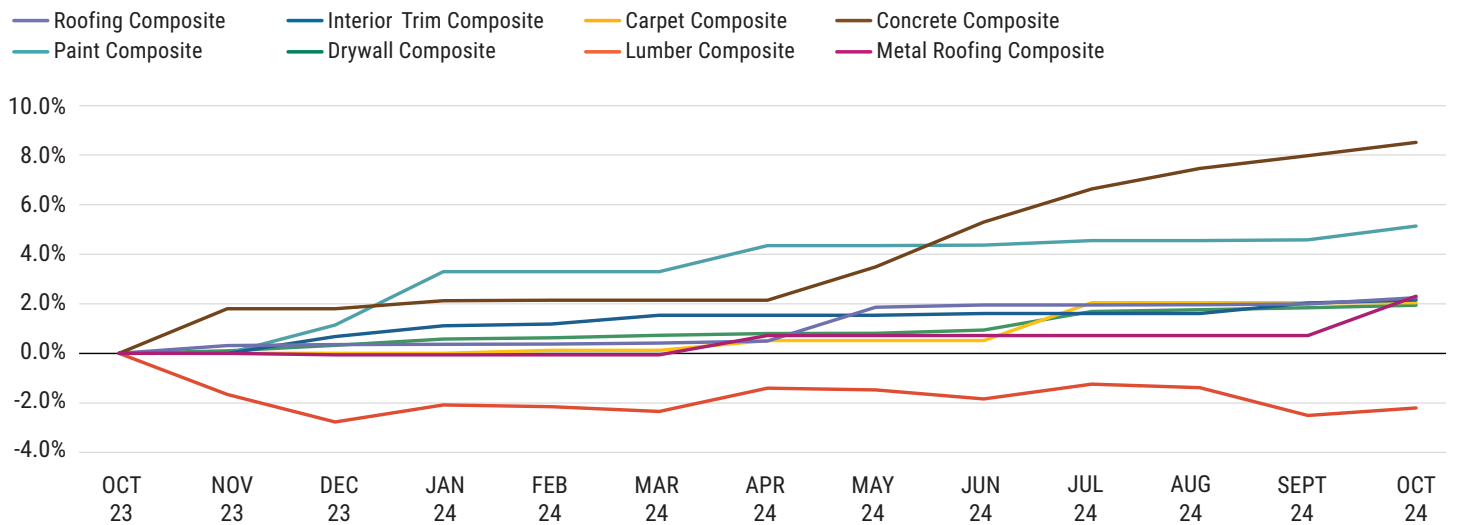
Although costs in 2024 are accelerating compared with 2023, cost increases this quarter appear to be slowing, rising by 0.30% or less each month after the 0.94% jump in April 2024.

**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

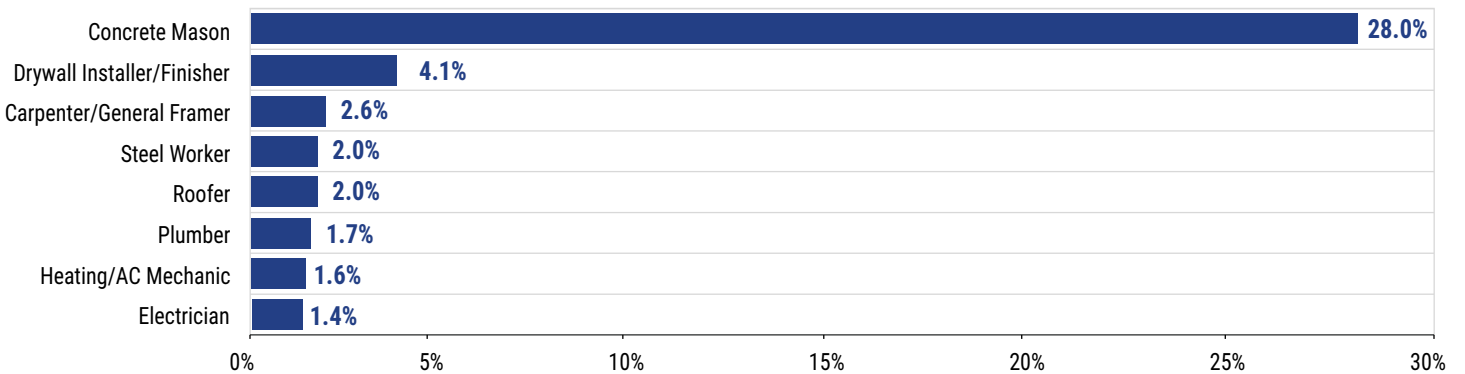
Combined hourly retail labor costs increased by 4.7% from October 2023 to October 2024, up slightly from their 4.3% increase from July 2023 to July 2024. The quarterly change was 1.64% compared with last quarter's 1.36% increase.

This quarter, labor costs had the largest monthly growth in October, increasing 0.62%. Last quarter, the largest monthly increase was 0.55%. Similarly, this quarter's average monthly increase was 0.54%, while last quarter's average monthly change was 0.43%.

Concrete masons had the largest quarterly change by far, increasing 8.49%, following an increase of 9.36% last quarter and 28.0% in the past 12 months. Electricians had the lowest 12-month increase at 1.4%. No labor categories showed a decrease over the past year.

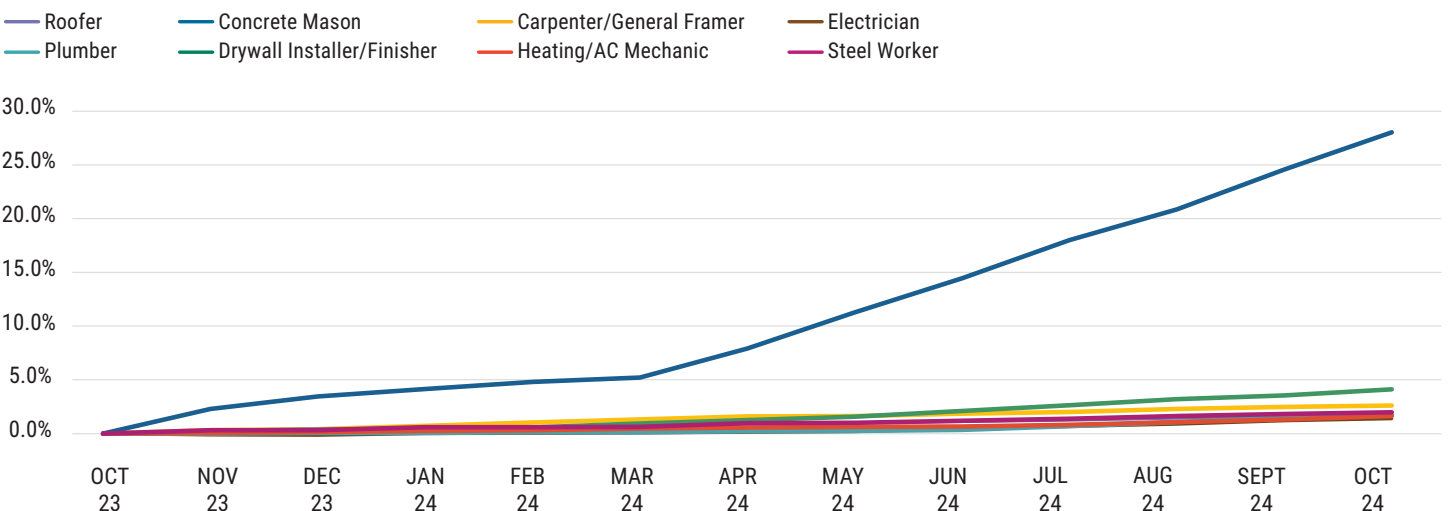
Most labor categories showed mild growth year over year, with drywall installers and finishers running a distant second at 4.1% and all others at 2.6% or less.

### Annual percentage change in retail labor rates



All but one labor category saw 12-month increases of 4.1% or less. (Source: Verisk data)

### Percentage change in costs by month

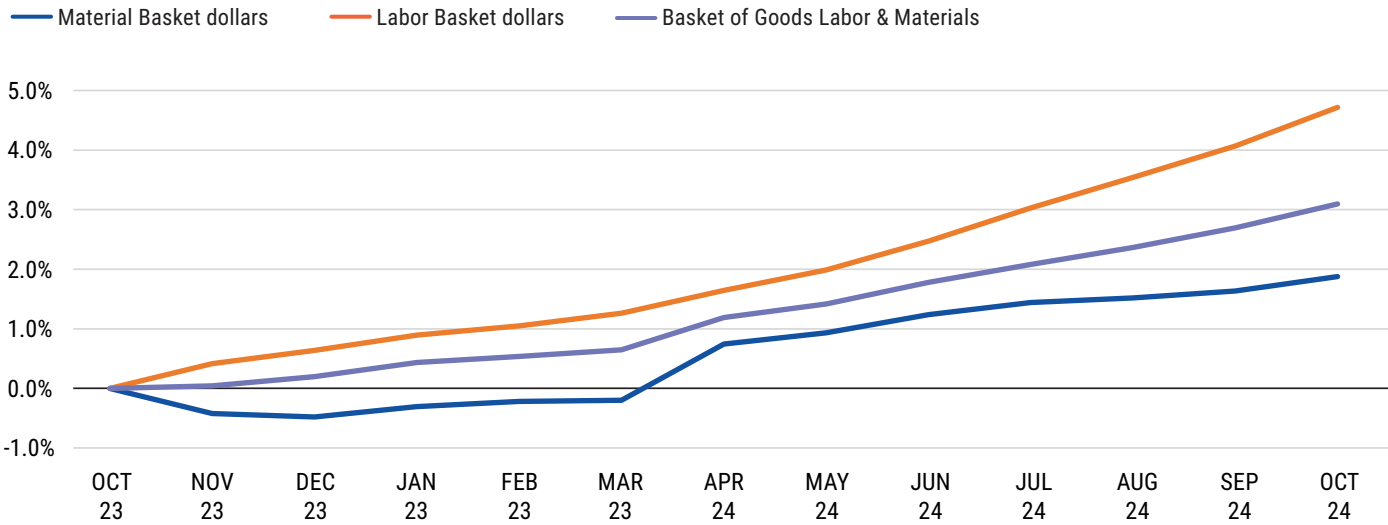


Rates for concrete masons rose nearly seven times as much as the next-highest-rising group. (Source: Verisk data)

## Labor and materials in aggregate

The two categories returned to customary behavior after an aberration last quarter when labor costs grew less than material costs. Labor costs grew 4.7% from October 2023 to October 2024, while material costs rose 1.9% 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 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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