



360Value Quarterly Reconstruction Cost Analysis

Q1 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 rates, percentages, increases, decreases, etc., are calculated as percentage changes from January 2024 to January 2025 unless otherwise noted.



Cost growth rate flattens

Total reconstruction costs in the United States, including materials and retail labor, increased by 5.0% from January 2024 to January 2025, virtually unchanged from January 2023 to January 2024 (4.9%), and cost growth in Q4 2024 also dipped to 1.0% from 1.4% the previous quarter.

Reconstruction Costs

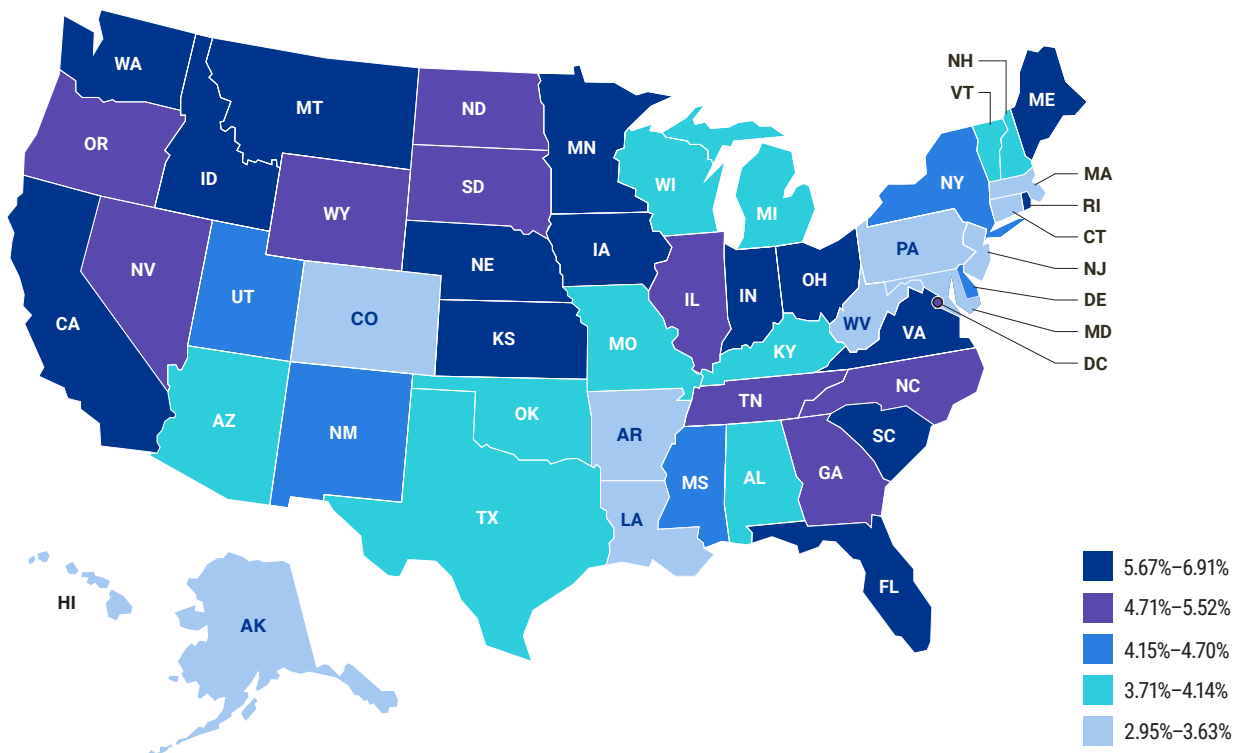
Residential Reconstruction Costs

Total residential costs increased by 4.5% from January 2024 to January 2025 and 0.9% from October 2024 to January 2025. Residential reconstruction costs increased year over year in all states. Kansas had the largest increase at 6.91%, followed by Washington (6.35%) and Nebraska (6.31%).

Georgia's rank rose most significantly, from 38th in October 2024 to 17th in January 2025; costs were up 5.15% in the state year-over-year. Ohio followed with a rise from 44th to 28th on a 4.20% increase, and South Carolina jumped 15 places to sixth with an increase of 5.94%.

Colorado had the largest drop, going from fifth place to 43rd, with a residential cost increase of 3.59%. New Hampshire went from first to 37th with a cost increase of 3.79%.

Changes in residential reconstruction costs by state



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

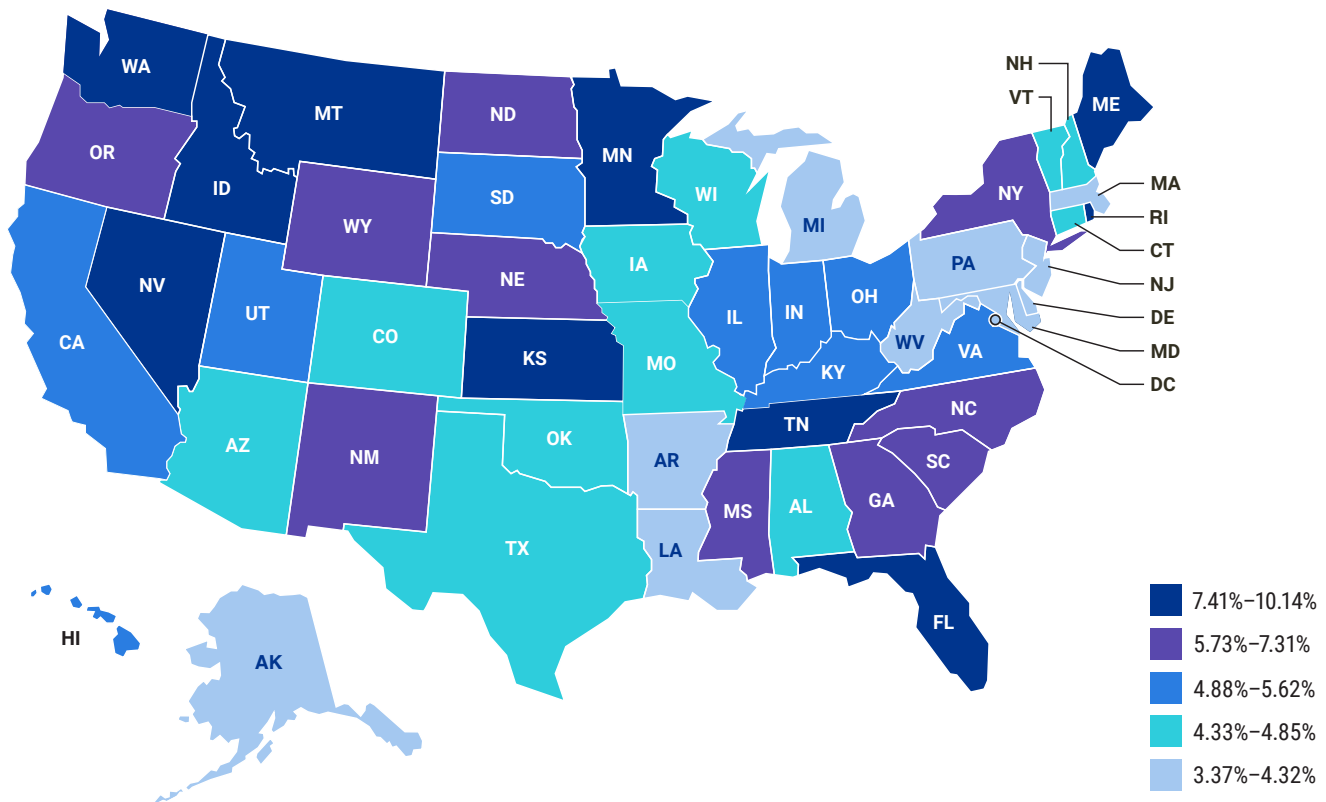


Commercial Reconstruction Costs

Total commercial reconstruction costs increased 5.5% from January 2024 to January 2025 and 1.0% from October 2024 to January 2025. Rhode Island had the largest increase at 10.14%, followed by Kansas at 8.37%. Washington had the third-highest commercial cost increase at 8.35%.

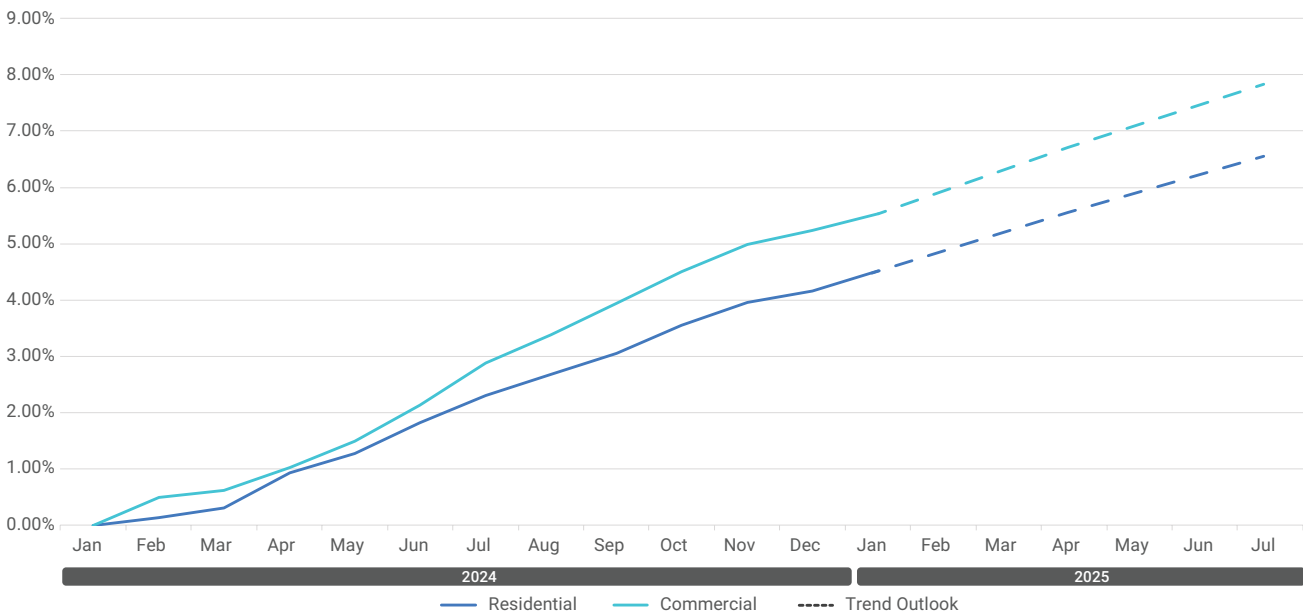
Maine had the largest rank jump—from 21st to fourth—with an increase of 8.23%. Georgia rose from 36th to 20th with a cost increase of 5.73%, while Ohio rose from 42nd to 29th, increasing 4.88%. As with residential costs, Colorado saw the largest downward change, going from sixth to 40th place with a 4.33% increase, and New Hampshire dropped from first to 30th with a 4.85% cost increase. Massachusetts fell from 16th to 42nd with a 4.07% 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)

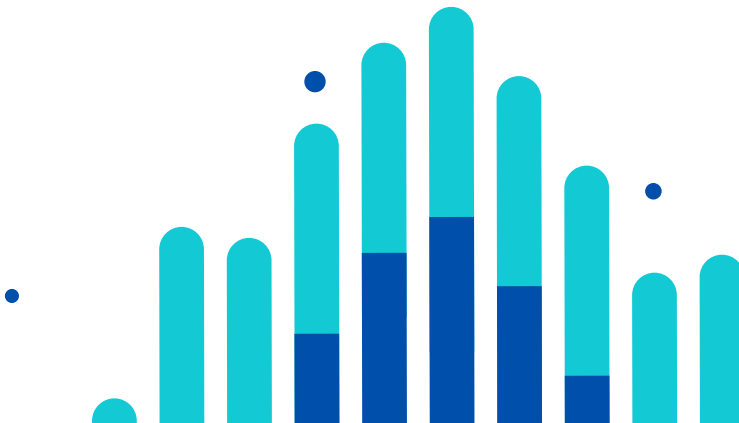
Market expectations for reconstruction costs anticipate a 1.98% increase for residential and 2.22% for commercial from January 2025 to July 2025. This is an increase from what was expected in the fourth quarter of 2024: 1.49% for residential and 1.98% for commercial from October 2024 to April 2025.

Labor and materials

Material cost analysis

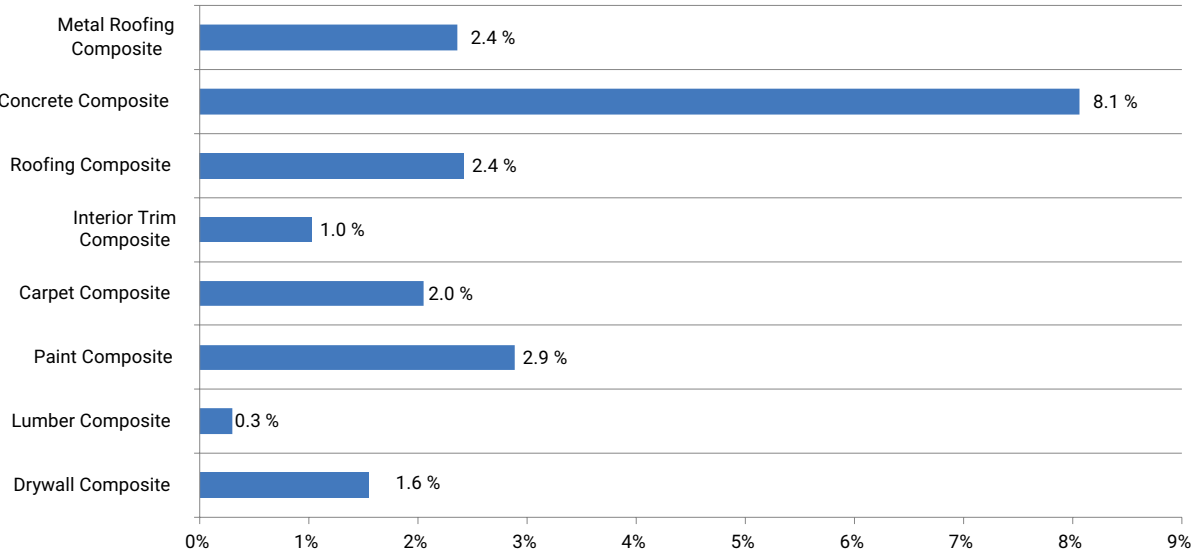
Material costs rose 2.6% from January 2024 to January 2025—greater than the 1.9% increase from October 2023 to October 2024. The increasing month-to-month trend was consistent through most of 2024, except for a slight drop from November to December. The largest monthly increase was 0.24% from September to October.

Lumber remained relatively flat, increasing 0.3% over the past 12 months—but 0.4% in the most recent quarter. Concrete material again had the largest quarterly increase in the United States, up 1.70%, which was similar to the previous quarter’s increase of 1.77%. Concrete material again had the largest yearly increase at 8.1%. Paint material had the second-largest quarterly and yearly increases at 1.08% and 2.9%, respectively. Carpet and interior trim materials both had no change in costs this past quarter.



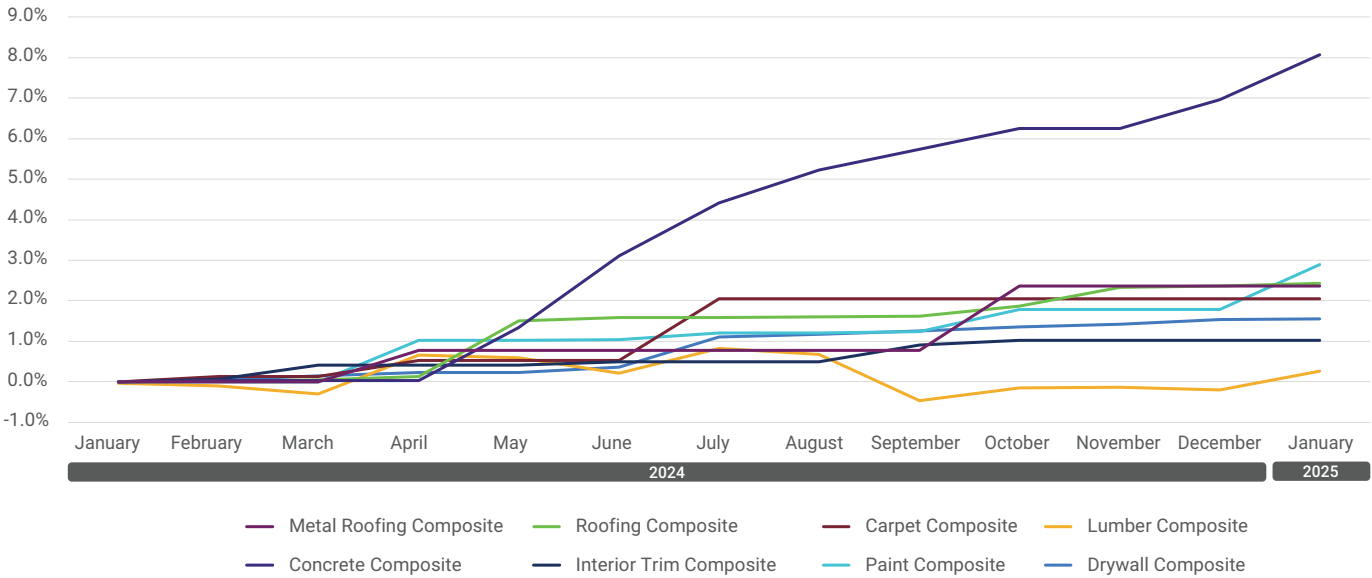


Annual percentage change in material composites costs



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

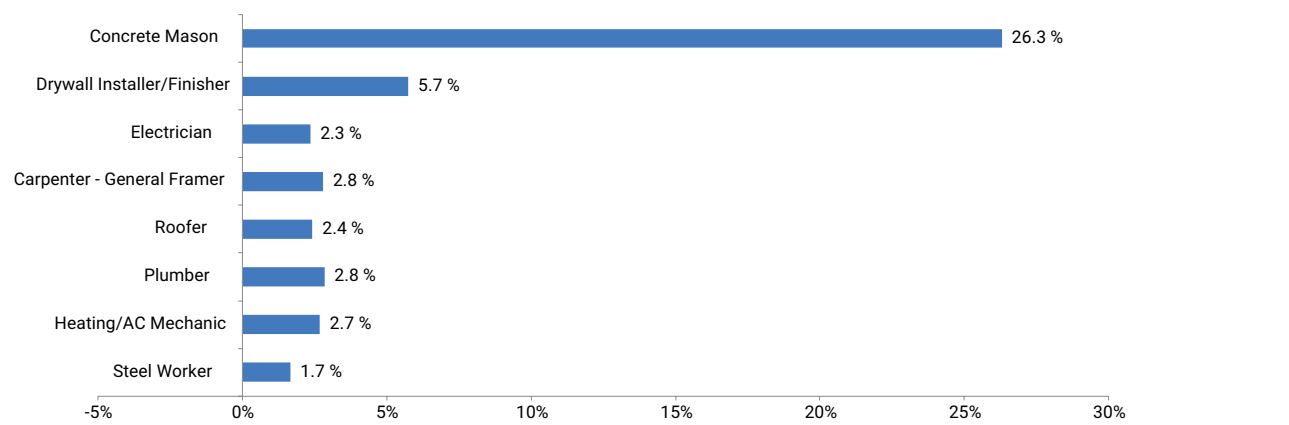
Combined hourly retail labor costs increased by 5.3% from January 2024 to January 2025, up from their 4.7% increase from October 2023 to October 2024. The quarterly change was 1.4% compared with last quarter’s 1.64% increase.

Labor costs had the largest monthly increase in November this quarter, up 0.80%. Last quarter, the largest monthly increase was 0.62%, which occurred in October. The average monthly change for the most recent quarter was 0.51%, down slightly from 0.54% the previous quarter.

Concrete masons again had the largest quarterly change, but cost increases were slower at 2.76% following an increase of 8.49% the previous quarter and 26.3% in the past 12 months.

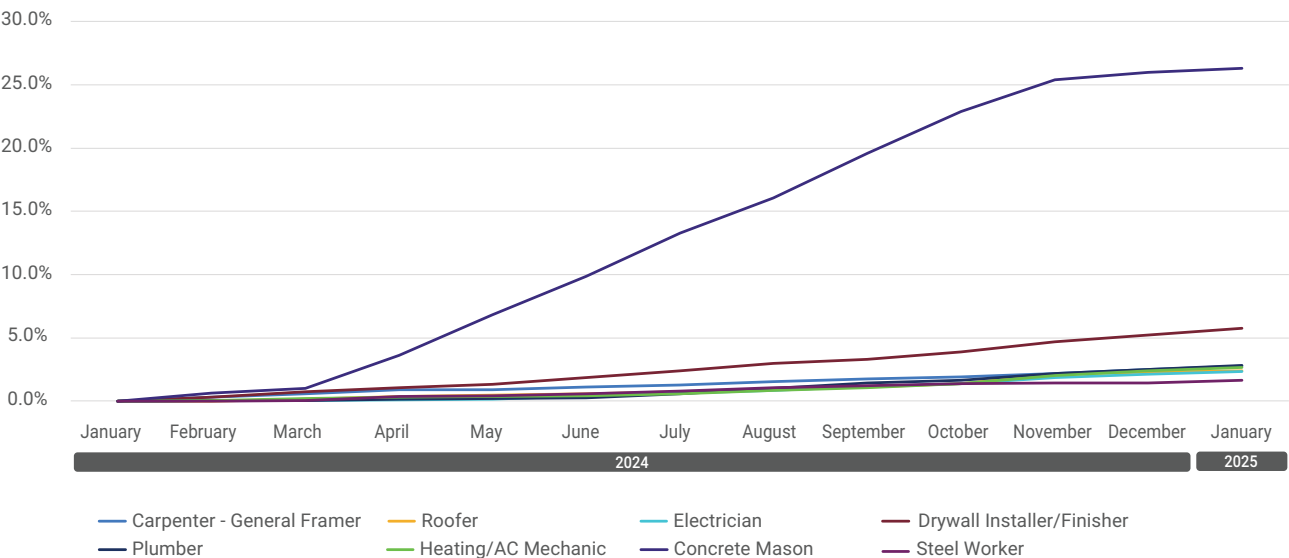
Steel workers had the lowest 12-month increase at 1.7%. No labor categories showed a decrease over the last year or quarter.

Annual percentage change in retail labor rates



All but one labor category saw 12-month increases of 5.7% or less. (Source: Verisk data)

Percentage change in costs by month

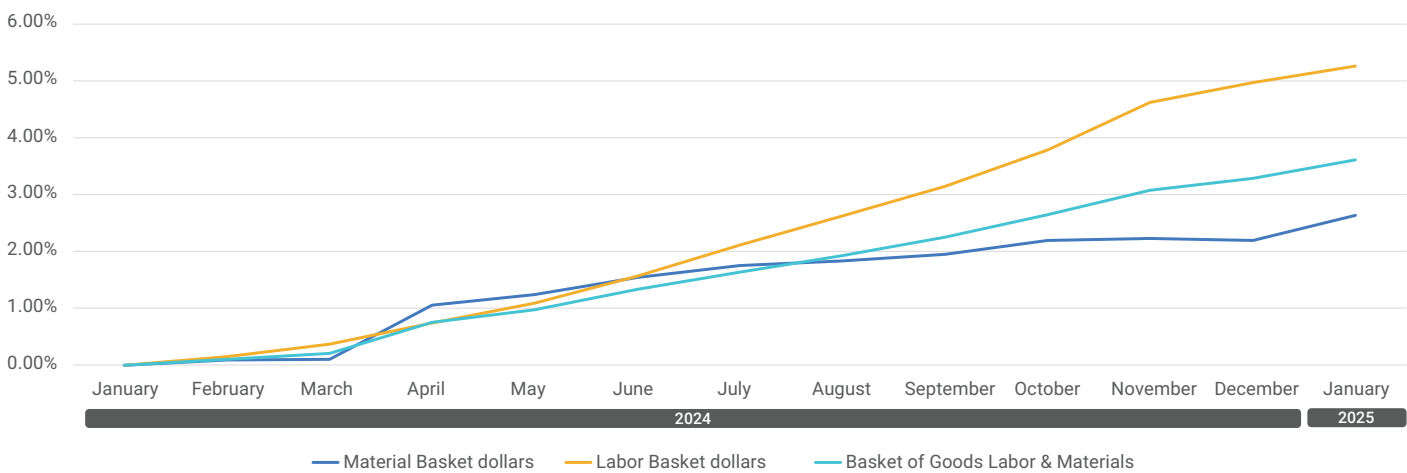


Rates for concrete masons rose nearly seven times as much as the next-highest-rising group. (Source: Verisk data)

Labor and materials in aggregate

Relative increases in materials and labor followed a typical pattern in the latest reporting period. Labor costs grew 5.3% from January 2024 to January 2025, while material costs rose 2.6% 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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