



Verisk Property Estimating Solutions

Quarterly Property Report July-September 2024

Unless otherwise stated, the 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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Every quarter, Verisk examines extensive market price data from many third-party sources to provide property insurers a comprehensive overview of key elements affecting property expenses. This includes labor and materials costs, reconstruction expenses, claims trends, and relevant economic indicators in the United States and Canada. We also analyze our internal claims data to identify trends, outliers, and comparisons with prior years.

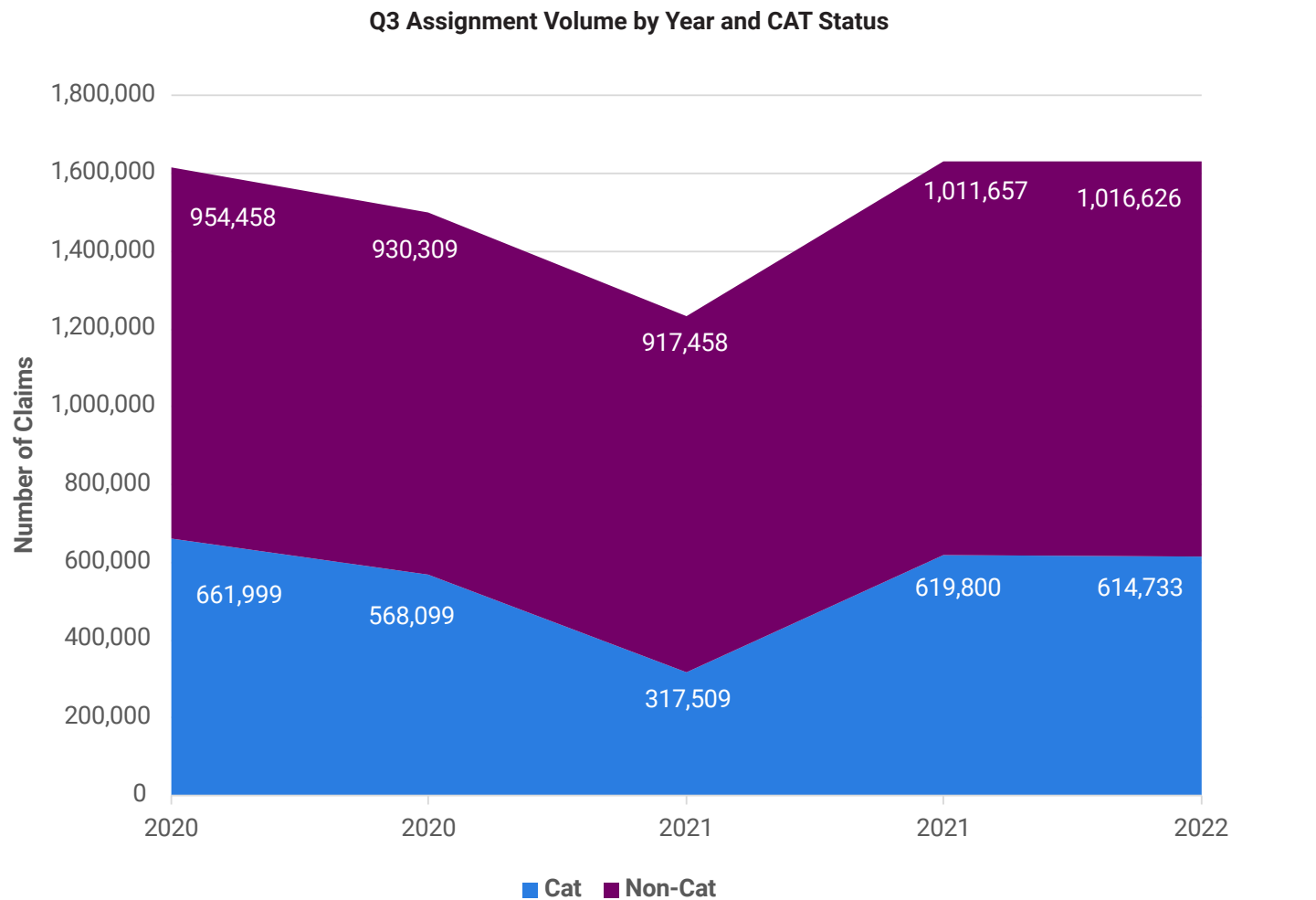
This report provides a detailed analysis of property claims in North America for the third quarter of 2024, highlighting trends and comparing key metrics against previous years. We also examine the impact of hurricanes Helene and Milton on material and labor costs and analyze the broader trends in construction and reconstruction costs across both residential and commercial sectors.

Note: Hurricane Milton's Q4 pricing impacts are included in this analysis due to its close timing with Hurricane Helene, as the market effects of these storms are interrelated.

Claims Trends

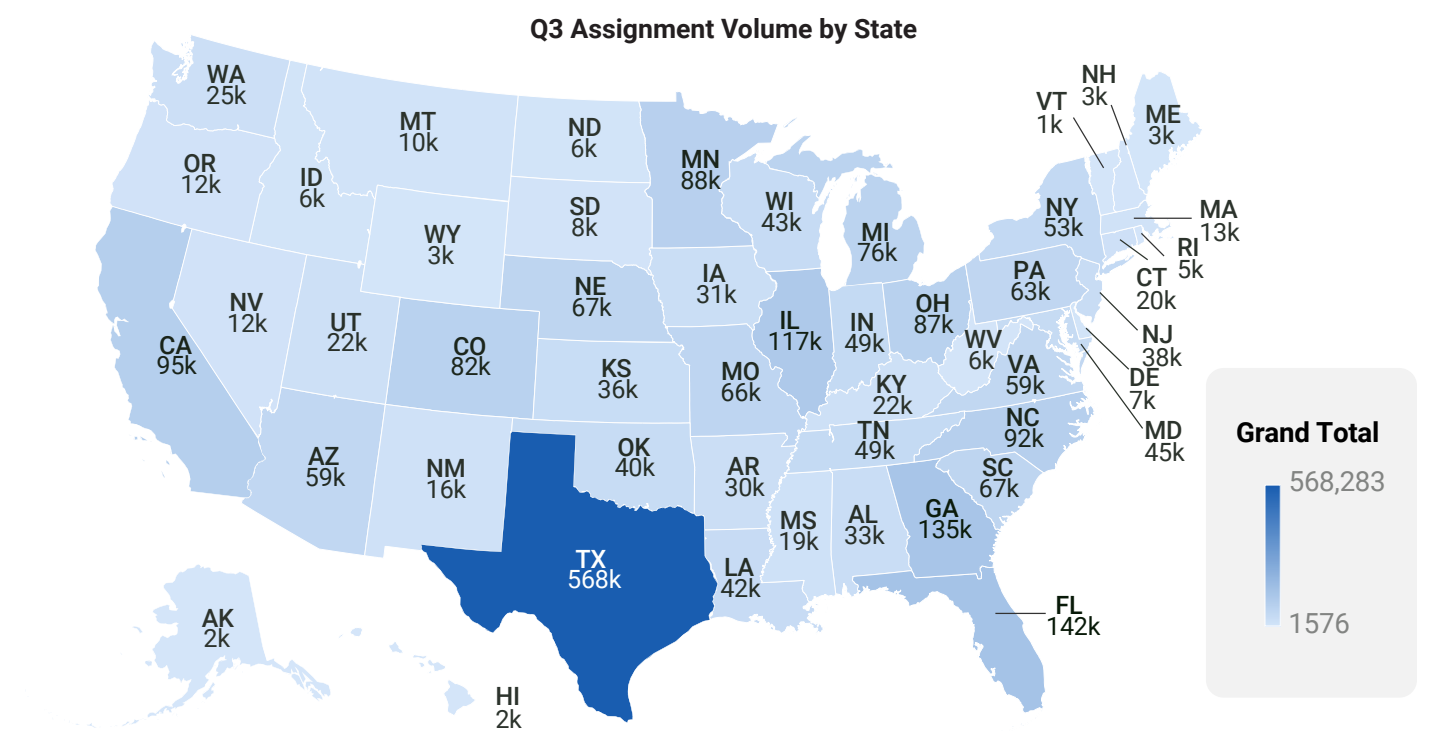
Volume

Assignment volume in Q3 2024 remained nearly identical to Q3, 2023, with a total count of 1,631,359 claims—representing just a 1% increase from Q3 2020. This consistency extended to both catastrophe (CAT) and non-catastrophe claims, with CAT claims representing 62% of the total, and non-CAT claims 38% in both Q3 2024 and Q3 2023.



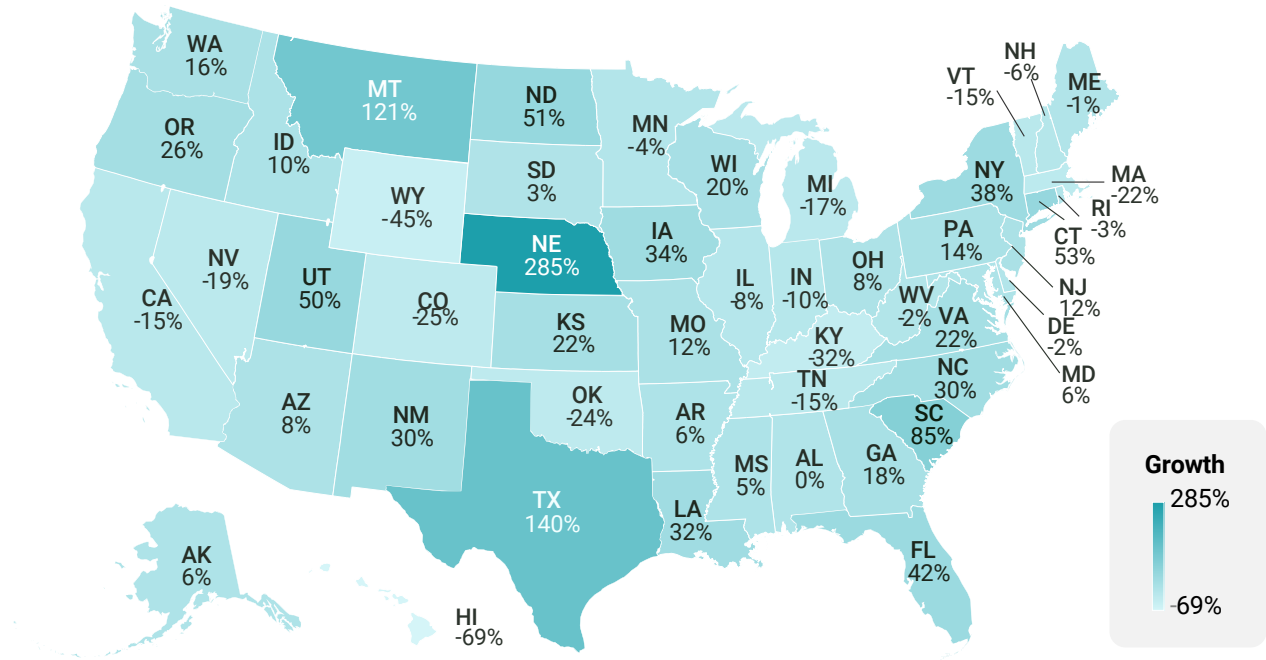
Texas continued to lead all states in total claim volume during Q3 and throughout the year, with Florida, Georgia, Illinois, and California rounding out the top five states.

Looking specifically at catastrophic (CAT) assignments, Texas, Illinois, Florida, Minnesota, and Georgia recorded the highest absolute numbers. However, when analyzing these claims as a percentage of each state's total volume, a different pattern emerges. Nebraska actually led the nation with 61% of its claims classified as CAT, followed by Illinois (53%), Minnesota (52%), and Texas (49%). Despite their high total CAT volumes, Florida and Georgia had notably lower proportions of catastrophic claims at 37% and 32% respectively of their total claims.



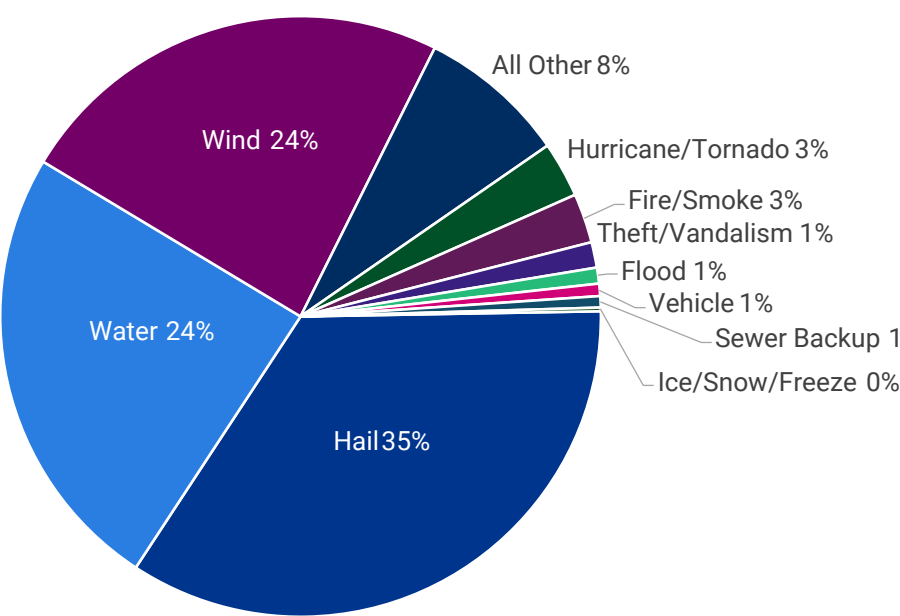
Year-over-year growth in Q3 showed dramatic variations, with Nebraska experiencing a 285% increase in claim volume compared to Q3 2023, while Wyoming saw a 45% decrease.

Percentage Change in Q3 Volume 2023 to 2024



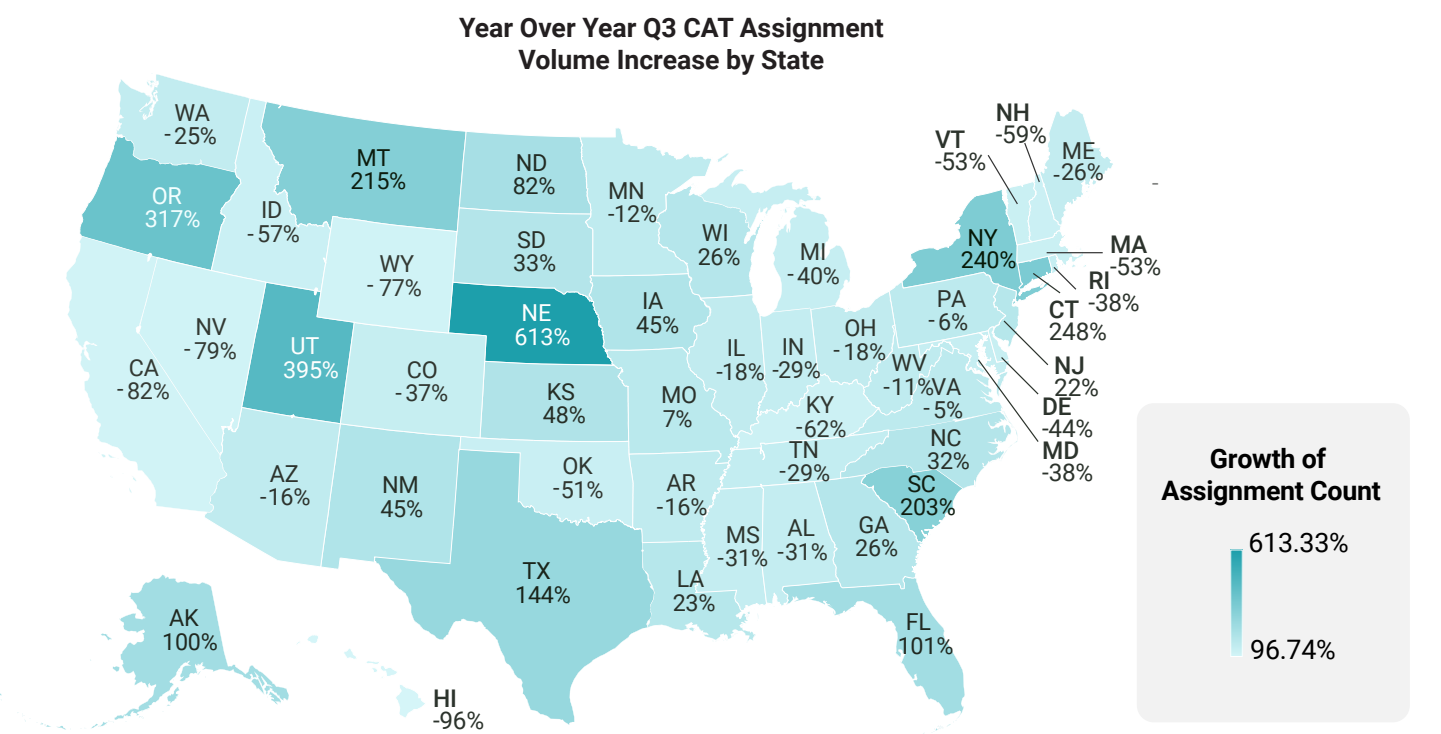
Wind and hail losses accounted for over 58% of all Q3 assignments, an expected trend since these loss types typically peak in Q2 and Q3 due to seasonal weather patterns.

Q3 Assignment Volume by Type of Loss

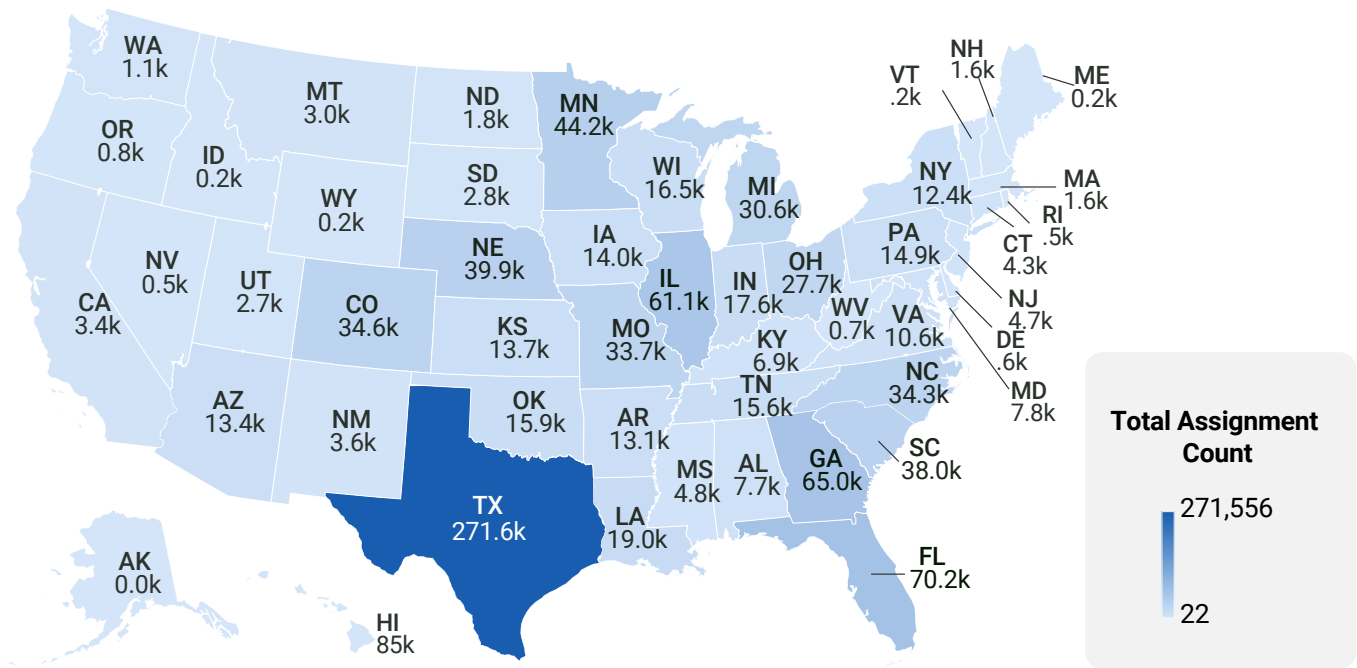


Catastrophe assignments

Texas led the country in total CAT claims for Q3 of 2024, but showed more moderate growth with a 143% increase from 2023—placing it ninth in growth rate for the quarter. The highest growth in CAT claims occurred in Nebraska, Utah, Oregon, Connecticut, and New York. Nebraska significantly outpaced all other states with over 600% growth since 2023, driven by an increase in severe weather events, particularly wind and hail, which accounted for 95% of CAT claims in the state and sparked high demand for construction and repair services. This is Nebraska’s second consecutive year leading Q3 CAT growth, up from a more modest 241% increase in 2022–2023.



Q3 CAT Assignment Volume by State

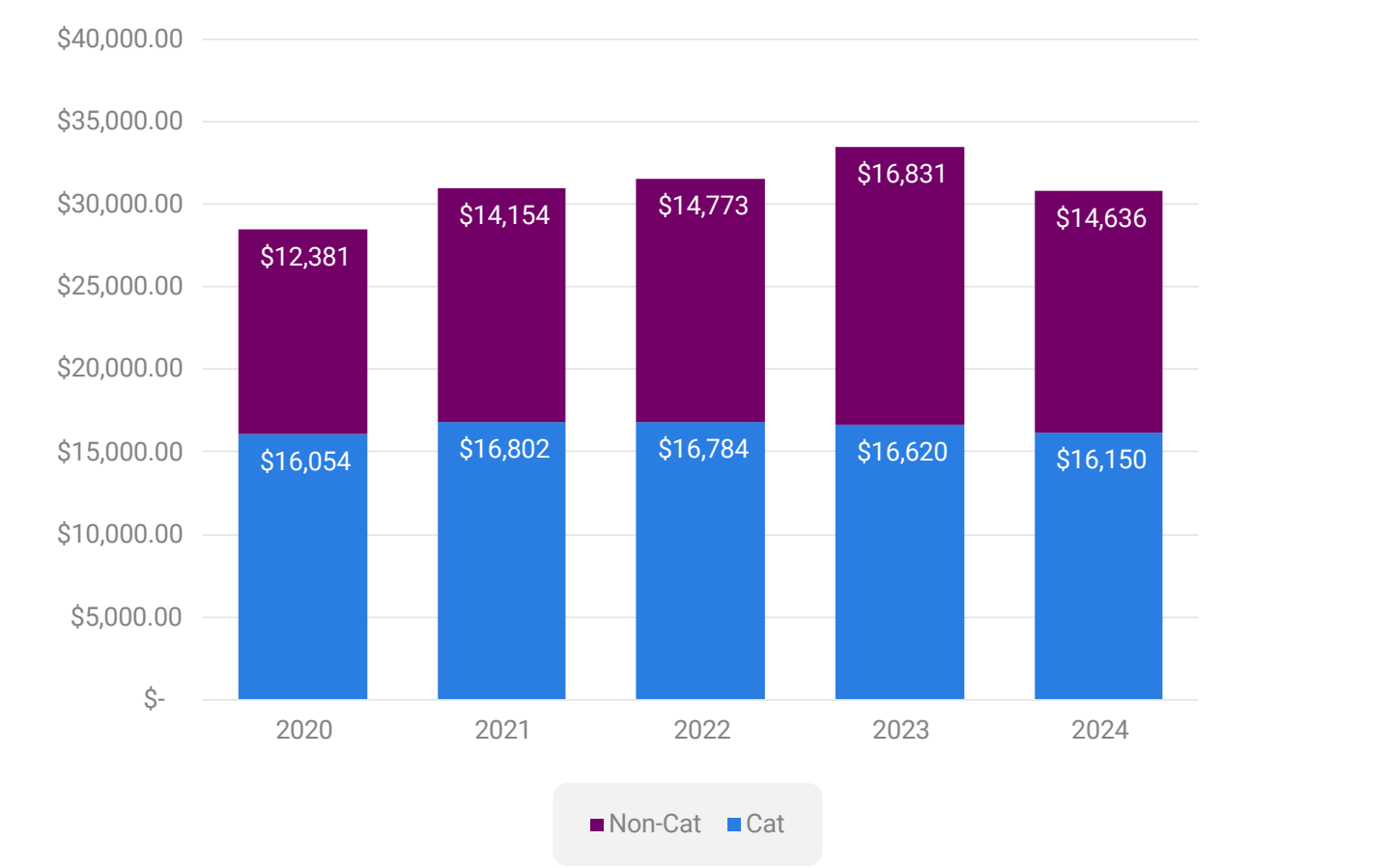


Severity

Severity is often difficult to report accurately soon after a quarter ends because many of the larger, more complex claims from the preceding quarter aren't yet completed and returned to Verisk's XactAnalysis®. These claims typically bring higher replacement cost values (RCVs), meaning that we usually don't see the average value fully reflected until 2–3 months after the original received date when these larger estimates are usually completed. As a result, severity generally appears artificially low during this 2–3 month "immature" period.

Currently, we can see that the average RCV for Q3 of 2024 is less than 2023 by approximately \$2,600

Average Assignment Value by Year Received



Hurricane Helene

Hurricane Helene made landfall as a Category 4 hurricane in Florida's Big Bend region, causing severe damage to homes, businesses, and infrastructure. The high winds and flooding led to increased costs for both materials and labor, creating additional financial pressure on affected residents and the construction industry.

Claims

Assessing the impact of weather events on insurance claims can be challenging due to variations in carrier practices. Each carrier identifies catastrophic (CAT) events using different CAT codes, and many events are not coded until after claims have been reported through XactAnalysis. Given these factors, the following analysis is based on the reported date of loss for claims between September 24 and 27, limited to the affected states.

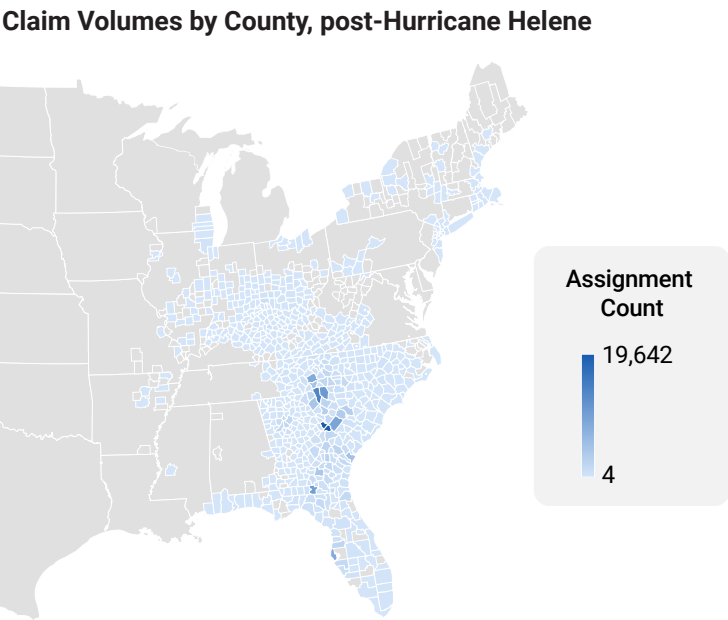
Companies with access to **XactAnalysis Insights** can request an additional Liveboard tailored to Helene analysis. This tool allows them to filter parameters and align the industry data with their own criteria for the event, enabling a side-by-side comparison with their own data.

If you would like to learn more about XactAnalysis Insights, please contact your Verisk account representative.

Volume and distribution

We can currently attribute about 411,000 claims to Hurricane Helene, with about 80% either canceled or completed within six weeks following the event. The total financial impact has reached \$4.3 billion, with average claims around \$16,000.

As expected, Georgia, South Carolina, North Carolina, and Florida experienced the highest claim volumes, with most reports submitted to XactAnalysis two weeks after the event (the week of 9/30/2024). These four states accounted for roughly 380,000 claims—92% of the total volume. Five counties reported more than 10,000 claims each: Columbia, Richmond, and Lowndes Georgia, and Greenville and Spartanburg in South Carolina.



Severity

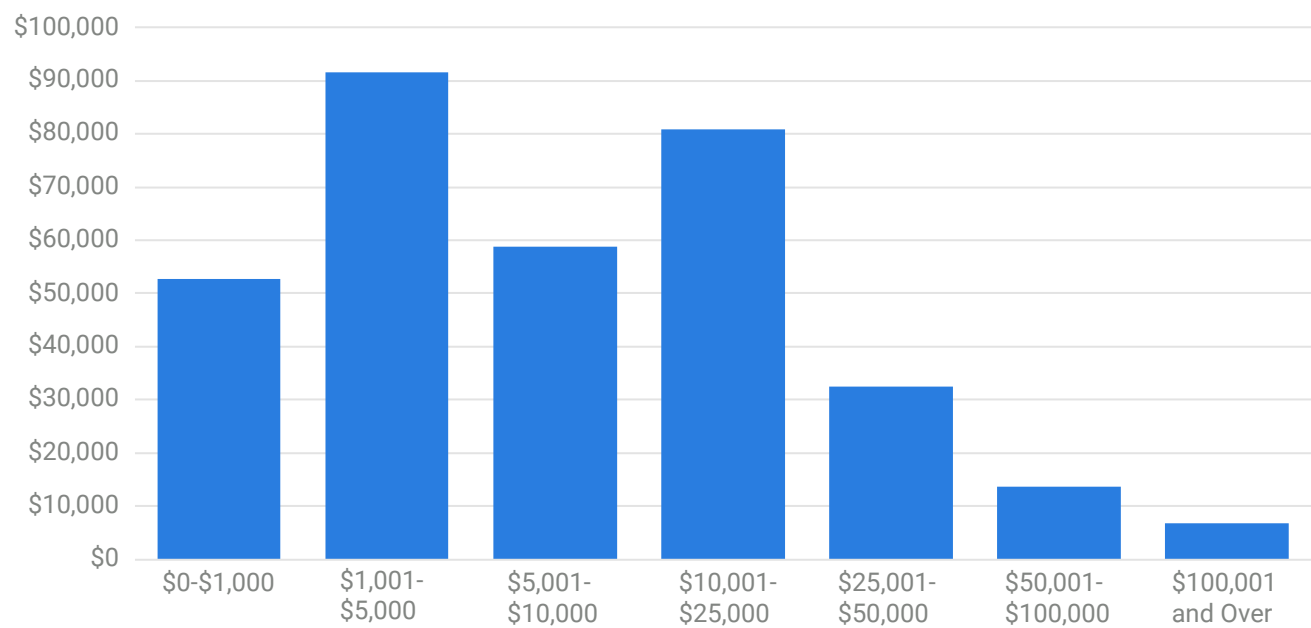
The financial impact of Hurricane Helene is currently estimated at approximately \$4.3 billion. The majority of reported claims are relatively small, with 84% under \$25,000 and only 2% exceeding \$100,000.

Nine counties recorded total RCV exceeding \$100 billion:

- Georgia: Columbia, Richmond, Lowndes, and Coffee
- South Carolina: Greenville, Spartanburg, and Aiken
- North Carolina: Buncombe
- Florida: Pinellas

These counties demonstrate varying patterns in terms of claim severity and volume. For instance, Coffee County in Georgia averaged an RCV of \$38,000 across just 4,000 claims, while Spartanburg County in South Carolina averaged \$10,000 RCV across more than 10,000 claims. This illustrates how total severity can be driven by either high average claim values or high claim volumes.

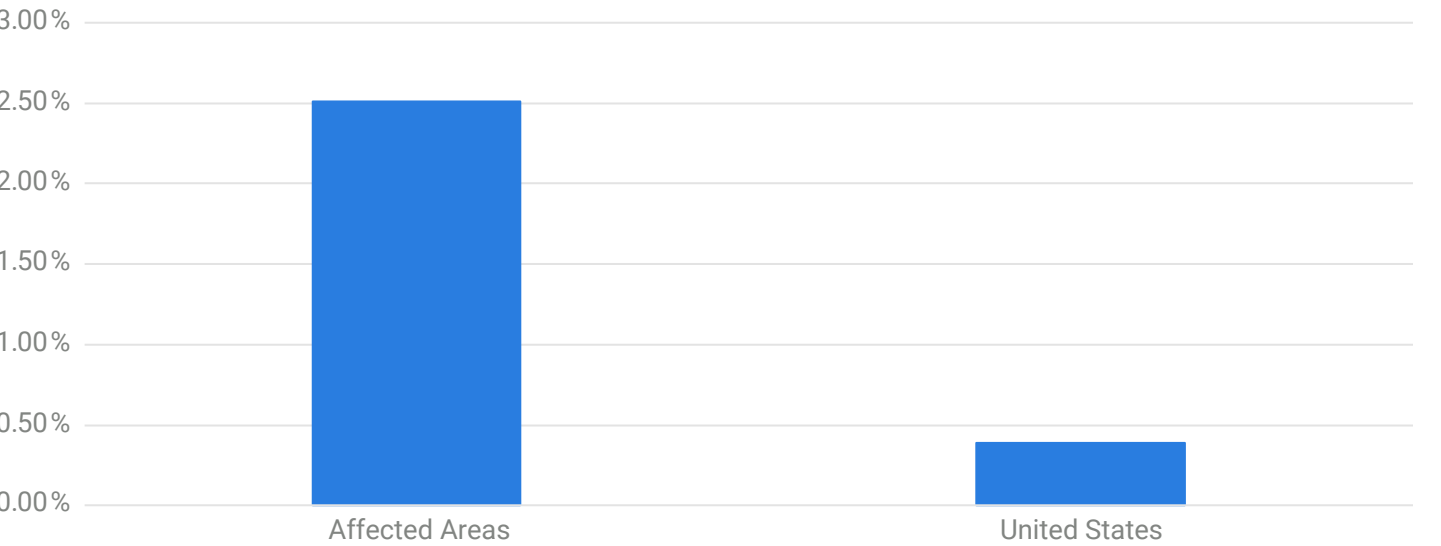
RCV Severity in Hurricane-Affected Counties



Labor and materials

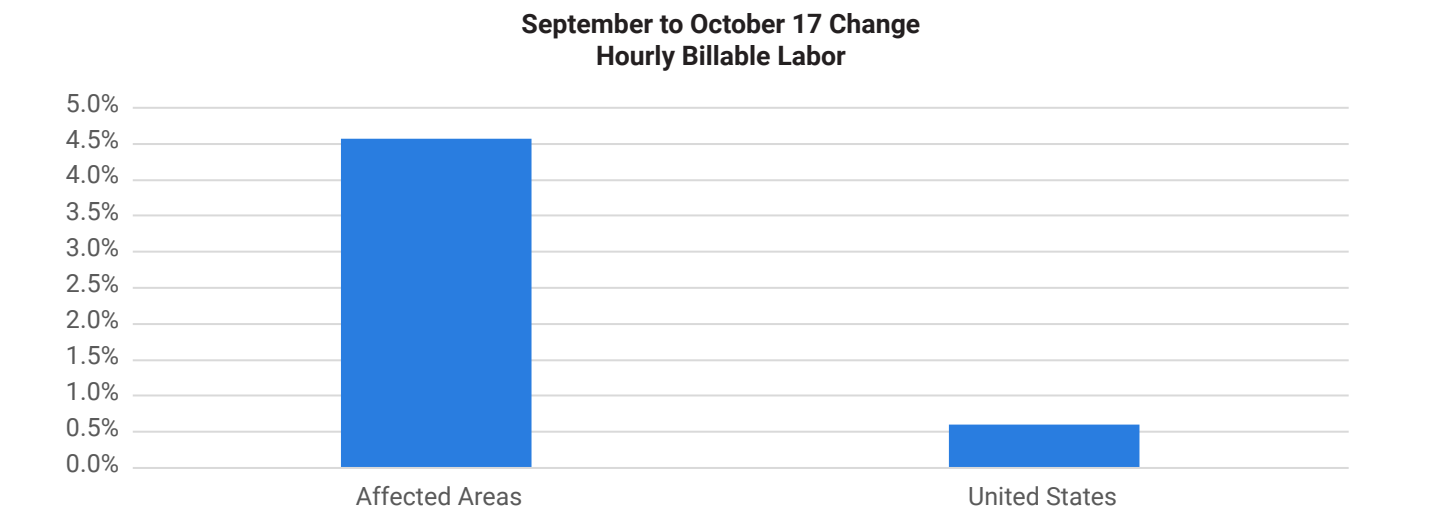
Since our September price list publication, labor and material costs in hurricane-affected areas increased by 2.51% as reported in our **interim October 2024 price lists**. This substantially exceeds both the 0.39% average monthly change these areas experienced in the 12 months before the hurricanes and the 0.40% national increase.

September to October 17 Change
Labor and Materials



Labor

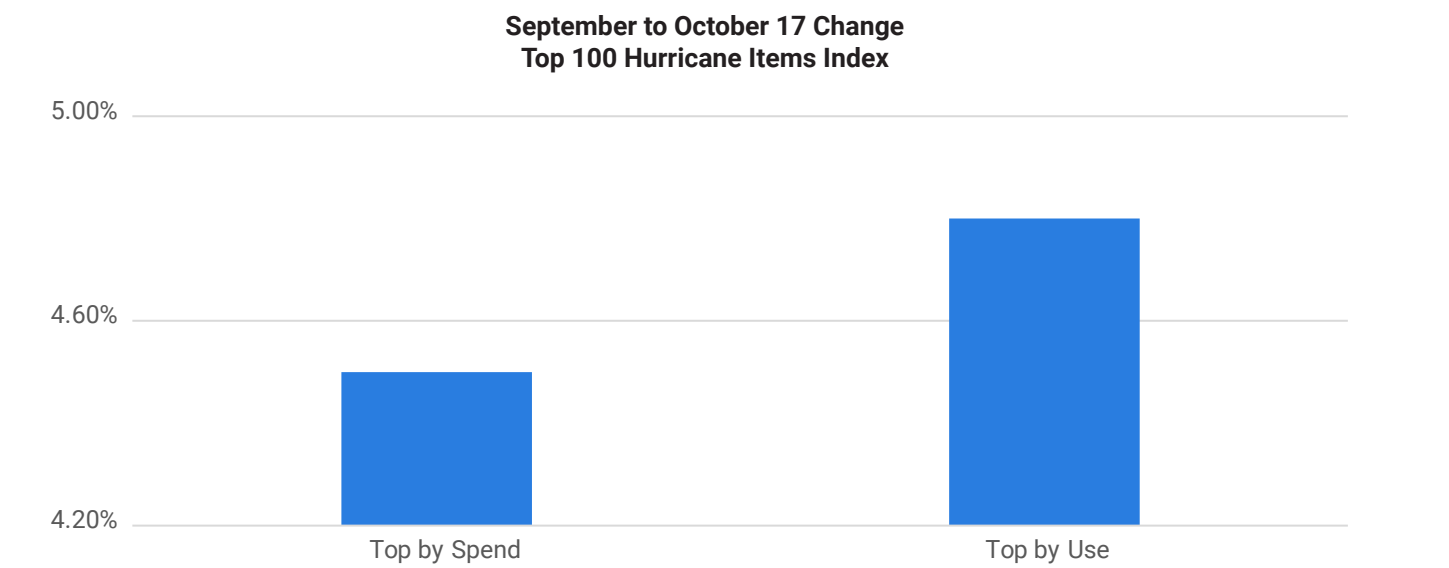
From September to October 17, hourly billable labor costs in affected regions jumped 4.57% compared to a 0.60% national increase. This represents a sharp rise from the 0.46% average monthly change seen in these areas during the year before the hurricanes.



Top 100 hurricane items trend

To analyze the impact of Hurricanes Helene and Milton, an index was created based on the most significant items in post-landfall estimates from affected areas. This index tracks commonly needed labor and materials, particularly roofing and siding, by identifying items with either the highest total spend (calculated by multiplying units used by unit price) or the highest frequency of use in estimates processed through XactAnalysis®.

Between September and the interim October price list publication, items ranked in the top 100 by total spend increased 4.46%, while those ranked by frequency of use climbed 4.83%.

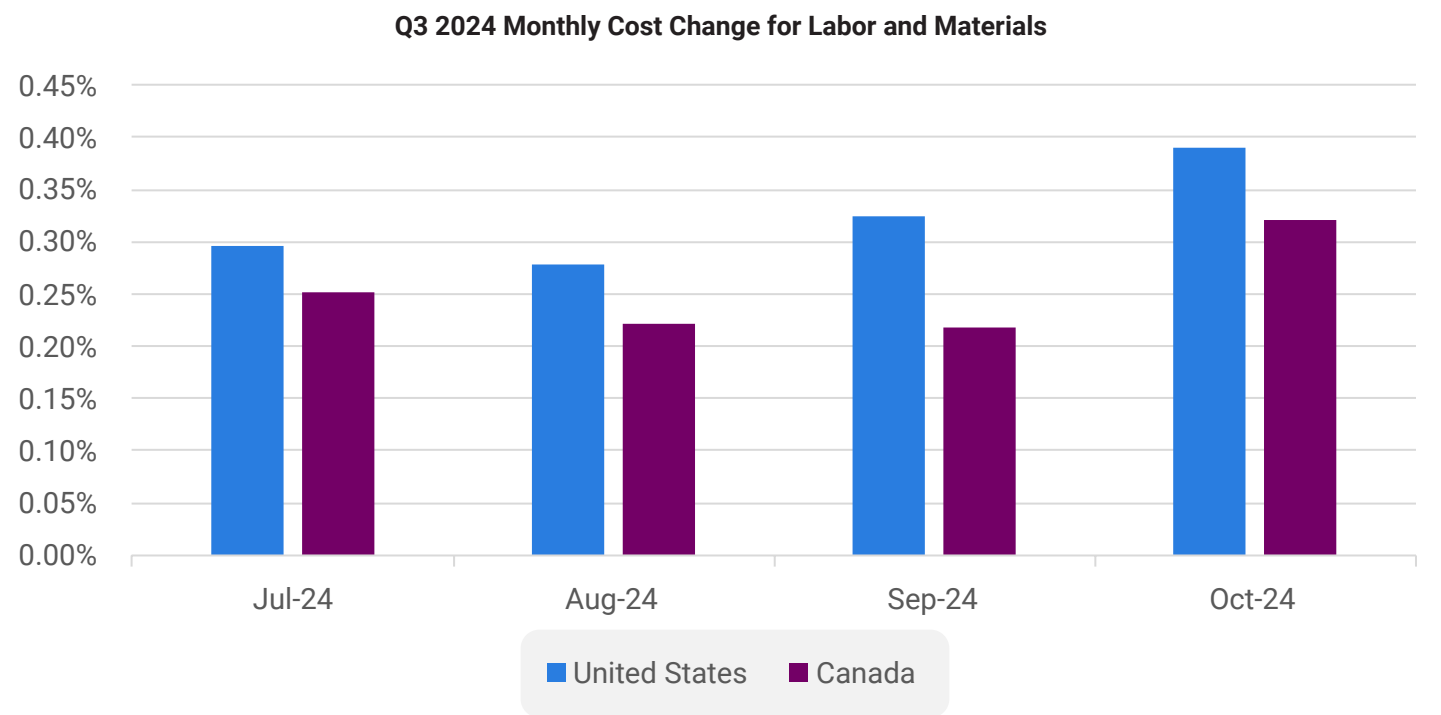
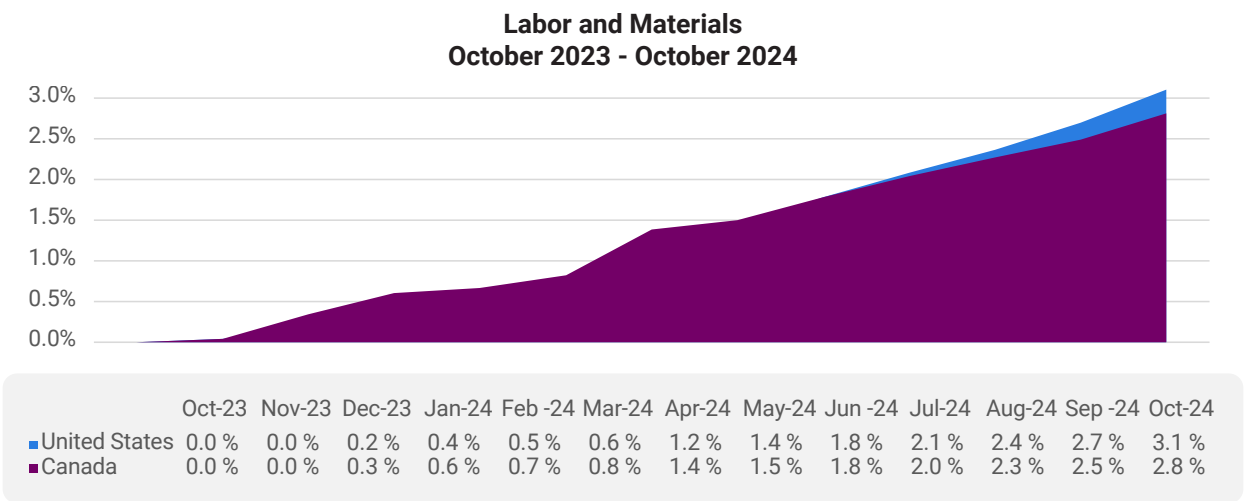


Pricing Data Services

Labor and materials

In contrast to Q2, where material costs drove a slowing trend in later months, costs accelerated towards the end of Q3 2024.

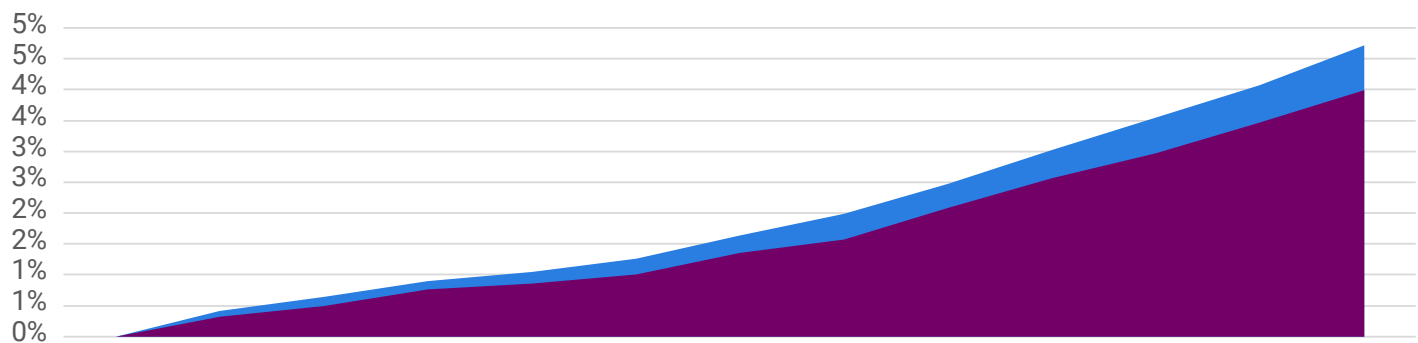
Overall costs continued rising as the year progressed, with U.S. labor and materials costs climbing 1.00% (up from 0.88% last quarter) and Canadian costs increasing 0.76% (up from 0.65% rise).



Labor costs

Labor costs accelerated this quarter, increasing faster than material costs—a reversal from the previous period. Combined hourly billable labor costs rose 4.70% in the U.S. and 4.00% in Canada from October 2023 to October 2024. The quarterly changes reached 1.64% in the U.S. (up from 1.36%) and 1.39% in Canada (up from 1.20%).

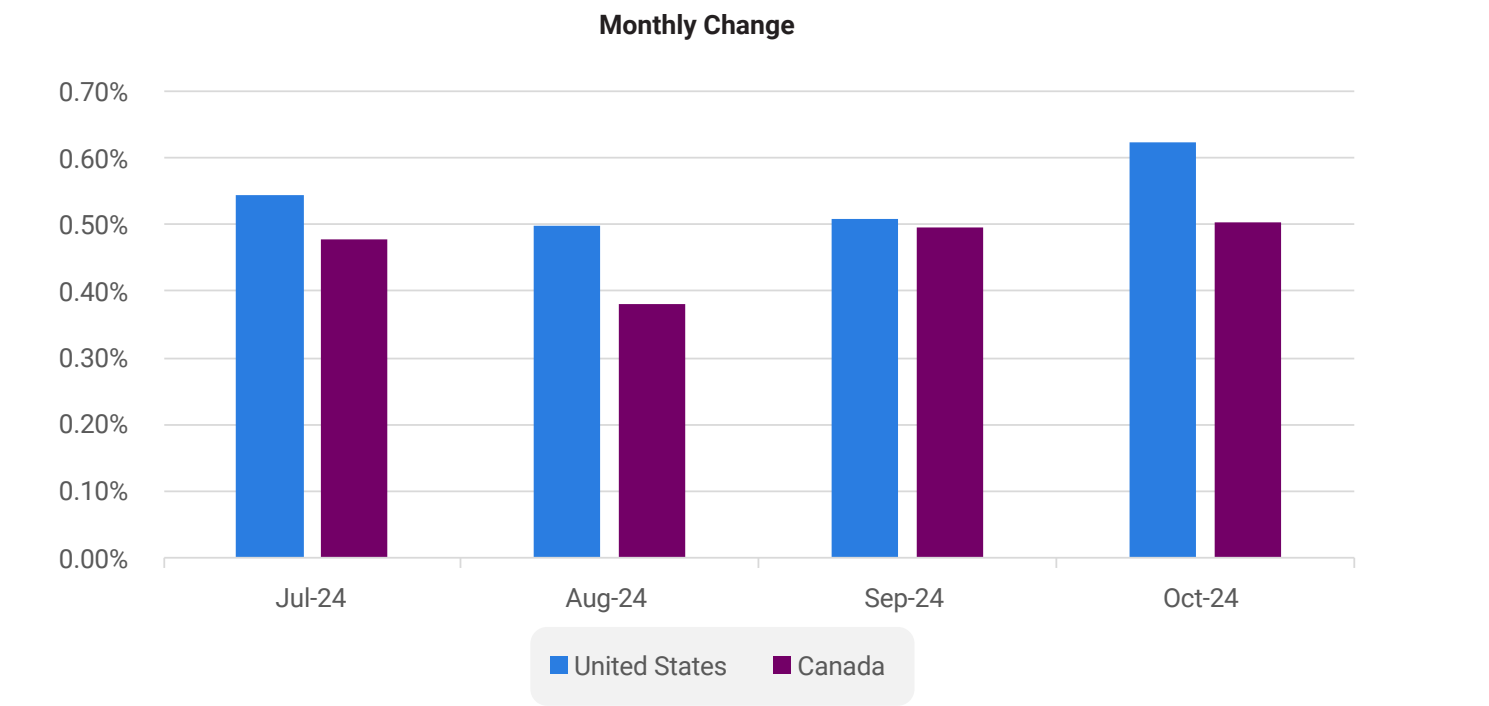
Labor Composite Index
October 2023 - October 2024



	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
■ United States Change	0.0 %	0.4 %	0.6 %	0.9 %	1.1 %	1.3 %	1.6 %	2.0 %	2.5 %	3.0 %	3.5 %	4.1 %	4.7 %
■ Canada Change	0.0 %	0.3 %	0.5 %	0.8 %	0.9 %	1.0 %	1.4 %	1.6 %	2.1 %	2.6 %	3.0 %	3.5 %	4.0 %



October saw peaked increases for both countries; 0.62% in the U.S. and 0.50% in Canada, matching September's rise. Last quarter, the biggest monthly increases registered at 0.55% and 0.50% for the U.S. and Canada respectively. The average monthly increase this quarter hit 0.54% in the U.S., up from 0.43%, and 0.46% in Canada, an increase from 0.38%.

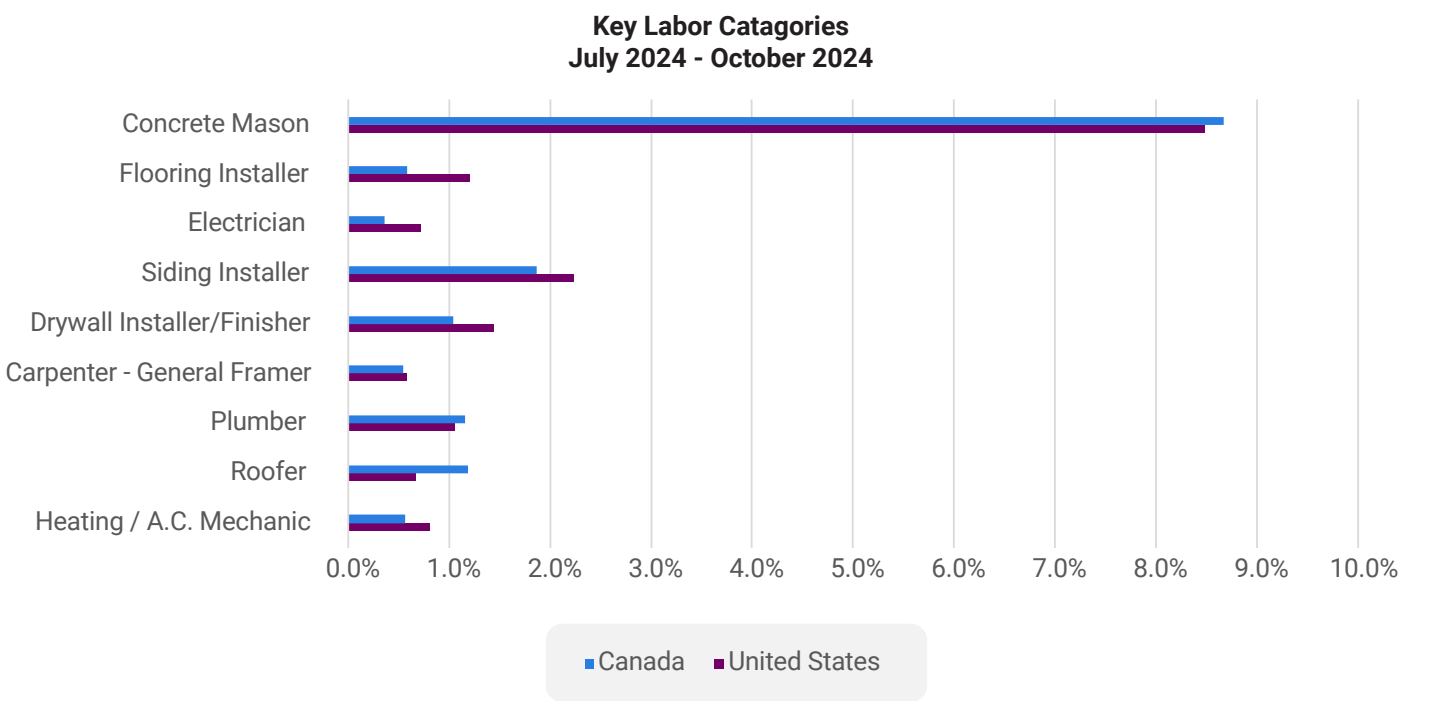


Monthly changes appeared fairly consistent compared to the previous quarter, particularly in the U.S. Cost increases ranged from 0.50% to 0.62%, whereas last quarter saw changes varying between 0.34% and 0.55%.

Labor costs by trade

Once again, concrete masons experienced the largest quarterly increase in labor costs. In the U.S., their costs rose by 8.49%, while in Canada, the increase was 8.67%. Although these increases are significant, they represent a slowing trend in the U.S. compared to the previous quarter's 9.36% rise, but an acceleration in Canada, where the previous quarter saw a 5.79% increase. Over the past 12 months, concrete masons' labor costs surged by a substantial 28.06% in the U.S. and 17.26% in Canada.

In contrast, electricians had the lowest 12-month increase in labor costs, with a 1.38% rise in the U.S. and a 0.67% increase in Canada. Notably, no labor category experienced a decrease in costs over the year.



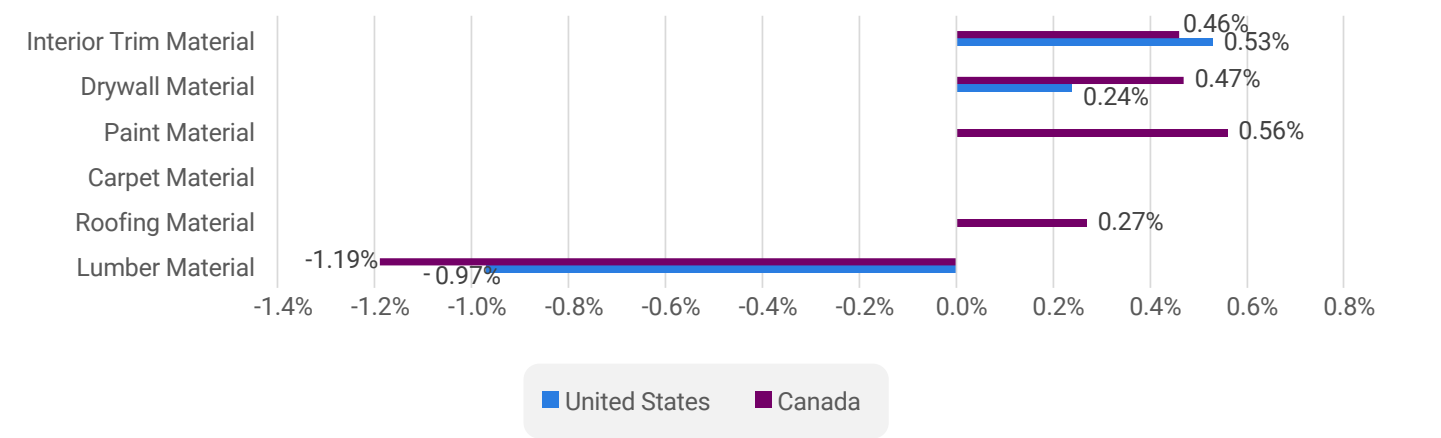
Materials

Material costs from October 2023 to October 2024 increased by 1.88% in the U.S. and 1.86% in Canada. While the 12-month trend initially showed declines in both countries, it later accelerated, particularly in Canada. The largest monthly increases this quarter occurred from September to October: 0.24% in the U.S. and 0.26% in Canada.

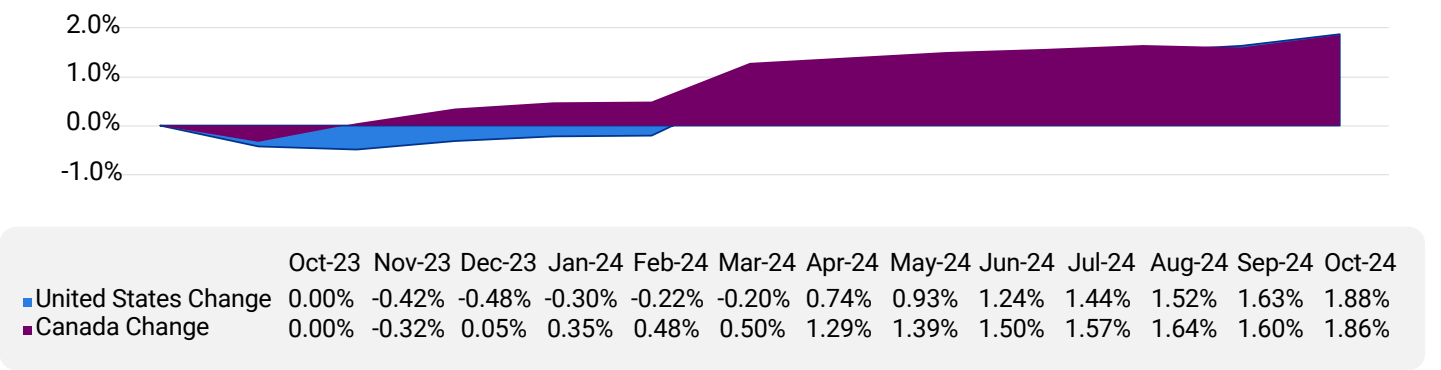
Lumber stood out as the only material category showing both 12-month and quarterly declines, falling 2.20% in the U.S. and 3.28% in Canada year-over-year. The quarterly decrease primarily resulted from falling sheathing material costs between August and September—down 3.59% in the U.S. and 1.12% in Canada. Meanwhile, dimensional lumber saw minimal changes, rising 0.01% in the U.S. while declining 0.34% in Canada.

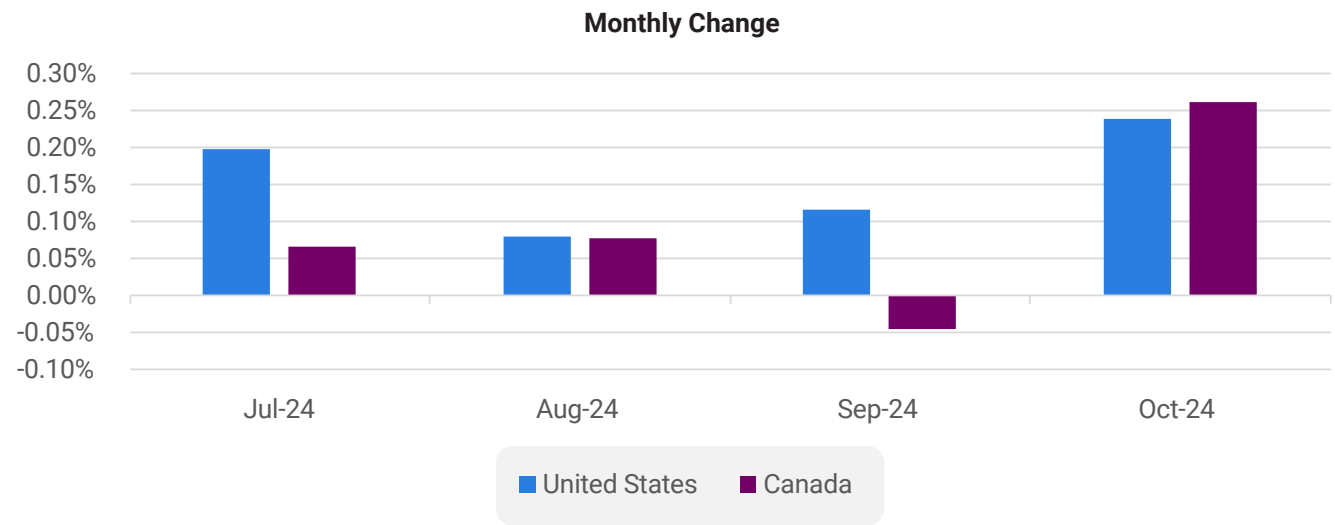
Material cost increases slowed in Canada, where three categories (roofing, carpet, and paint) showed no quarterly change. In the U.S., only carpet material remained stable.

Key Material Catagories
July 2024 - October 2024



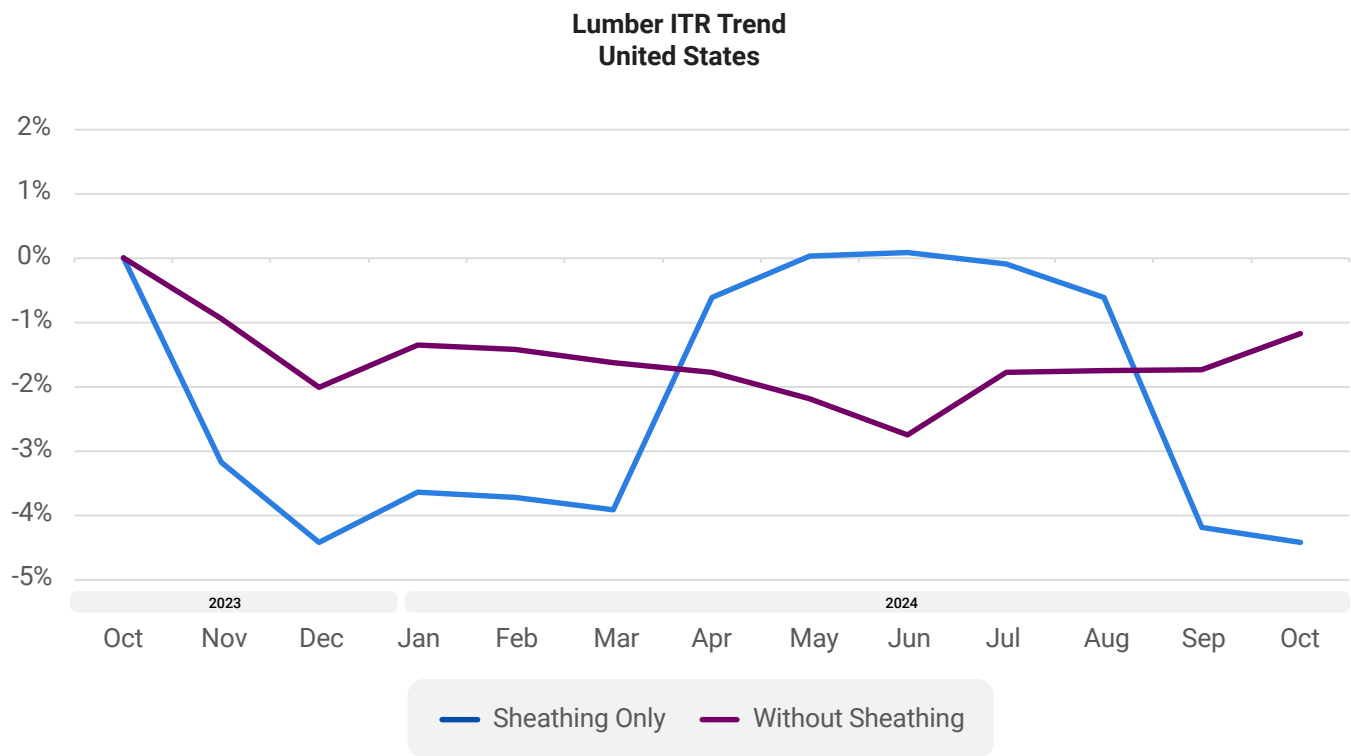
Material Compsite Index
October 2023 - October 2024



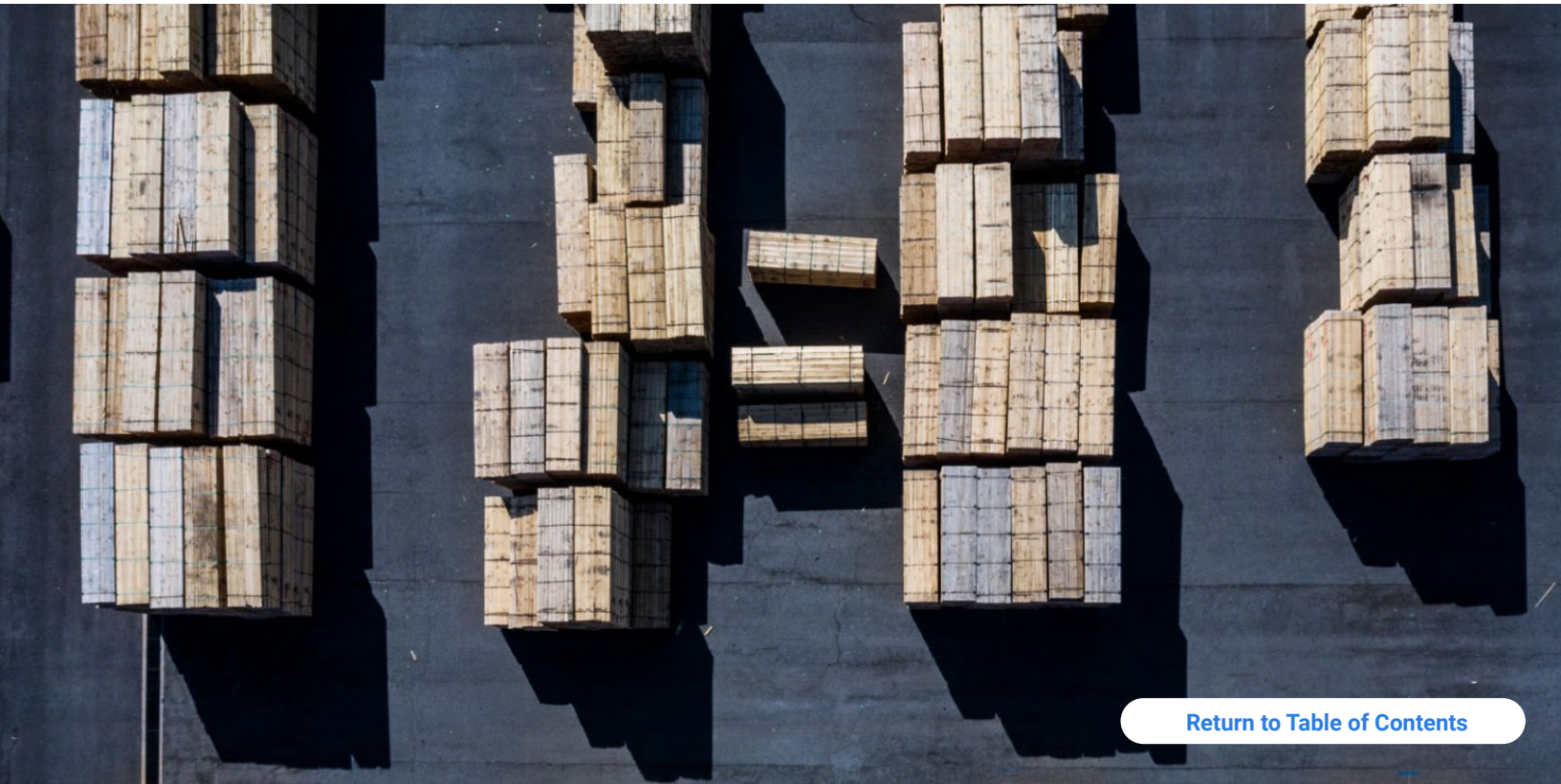
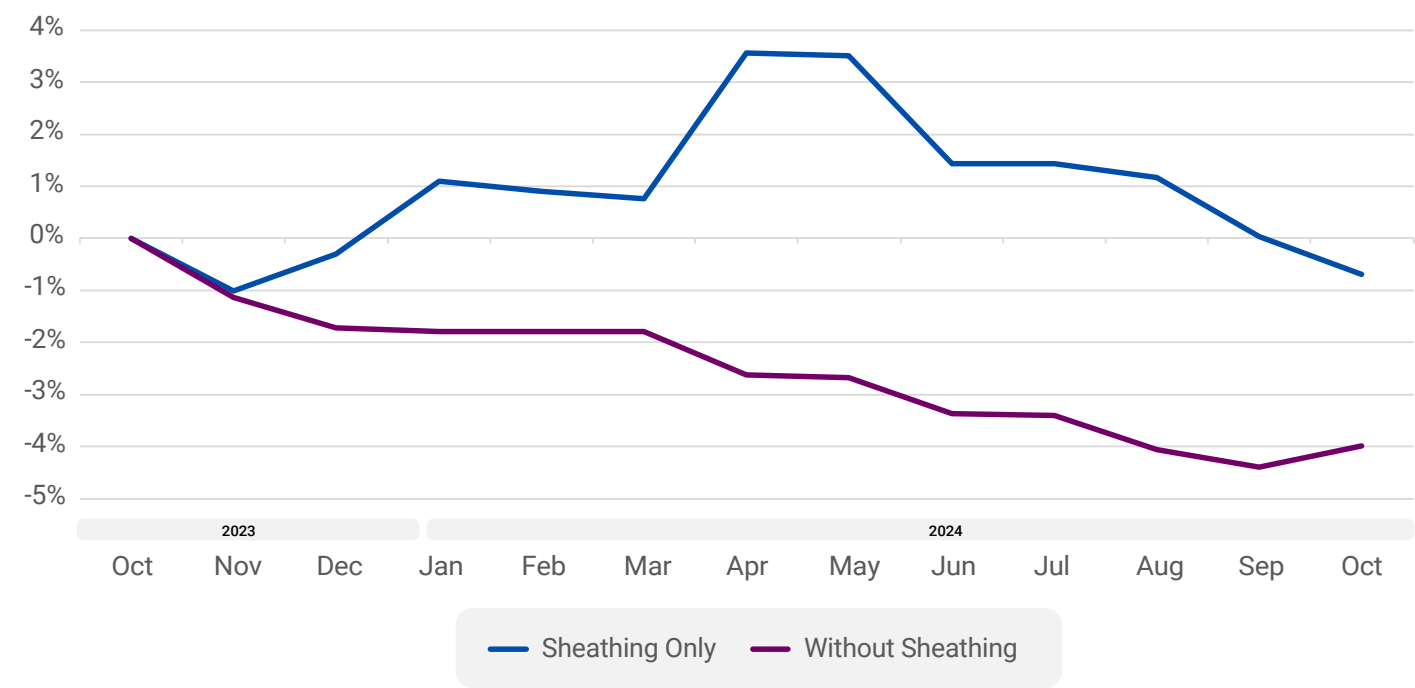


Lumber Costs

In 2023, lumber material costs had a major role, with prices plummeting by 13.44% in the U.S. and 6.13% in Canada. However, the situation stabilized in 2024, as lumber prices moderated this quarter following a significant spike in April.

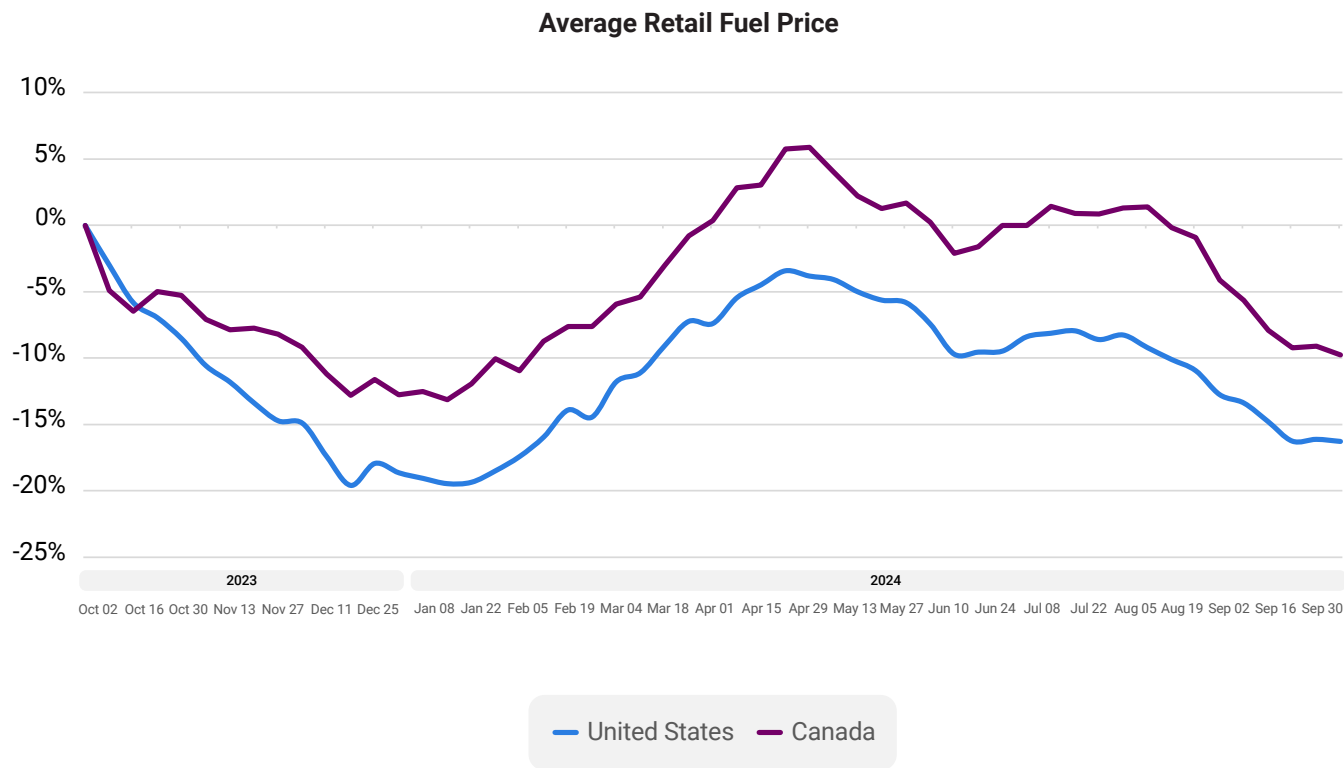


Lumber ITR Trend
Canada



Fuel Costs

Fuel costs decreased 8.62% in the U.S. and 9.77% in Canada this quarter, contrasting sharply with the previous quarter's increases of 1.08% and 0.36% respectively. This aligns with typical seasonal trends of lower winter fuel prices.



In the U.S., Mississippi recorded the lowest average gas price at \$2.70 per gallon, while California led at \$4.68, followed by Hawaii at \$4.58. In Canada, Manitoba offered the lowest fuel costs at 126.3 cents per litre, with British Columbia the highest at 167.9 cents.

Construction and Reconstruction Trends

Residential reconstruction costs

Residential reconstruction costs across the U.S. continued their upward trend, showing a 4.2% increase from October 2023 to October 2024. The third quarter, from July to October 2024, saw a more modest rise of 1.2%. While every state experienced some degree of increase, the impact varied by region.

New Hampshire led the nation with the steepest rise in costs at 7.66%, with Nebraska and Kansas following closely behind at 6.41% and 6.20%, respectively. The most dramatic shift occurred in Minnesota, where a 5.62% year-over-year increase catapulted the state from 42nd to 6th place in just three months. Several other states experienced notable ranking changes: Maine climbed 22 spots to rank 22nd with a 4.17% increase, while Illinois and the District of Columbia advanced 20 positions, reporting increases of 4.27% and 3.85%, respectively.

Not all states maintained their previous rankings, however. Hawaii, despite a 2.77% increase in costs, dropped from 14th to 48th place. Similarly, Massachusetts fell from 9th to 24th position, even with a 4.02% rise in construction costs.

Commercial reconstruction costs

Commercial reconstruction costs saw significant growth nationwide, with a 5.6% increase from October 2023 to October 2024, and 1.6% rise in the most recent quarter ending October 2024. Every state experienced rising costs of at least 3.14%, though the extent of these increases varied considerably across regions.

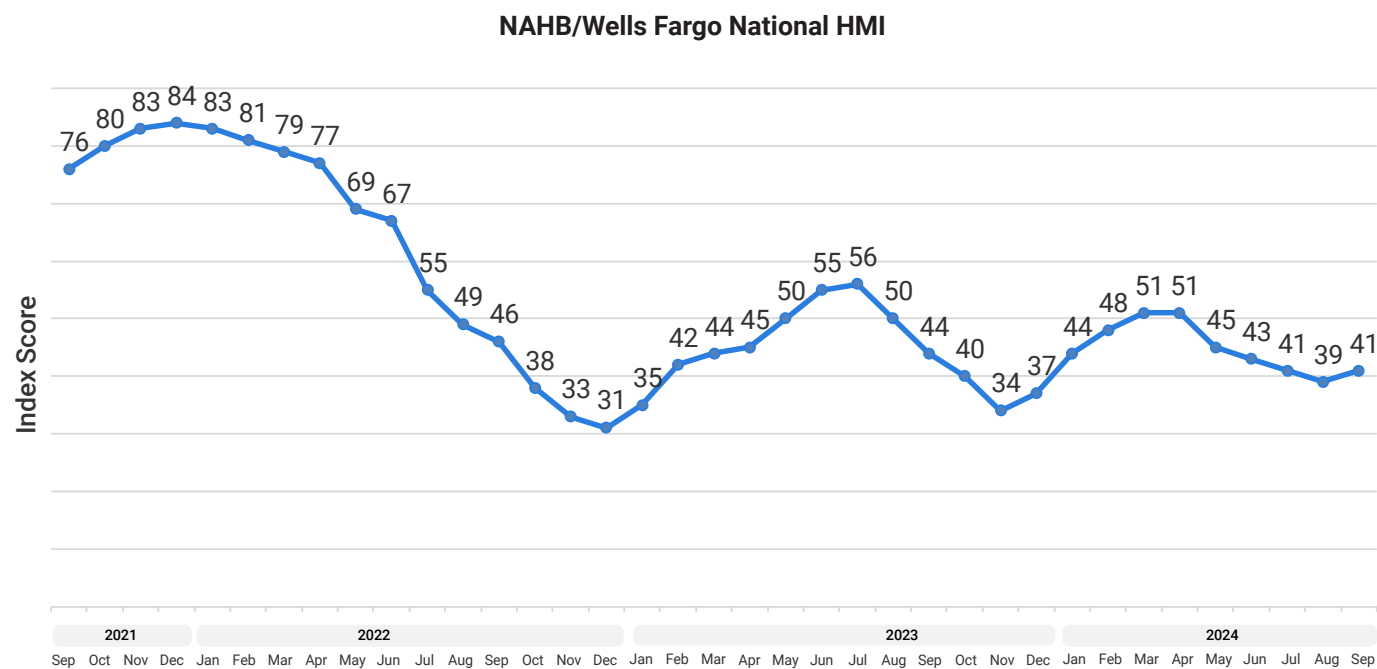
New Hampshire emerged as the leader in commercial cost increases, posting a substantial 11.92% rise, while New York and Montana rounded out the top three with increases of 8.13% and 7.93%, respectively. Several states experienced dramatic shifts in their rankings, most notably Kansas, which leaped 35 positions from 39th to 4th place with a 7.92% increase. Maine and Minnesota also made remarkable advances: Maine climbed 26 spots to 21st place with a 5.80% increase, while Minnesota rose 24 positions to 9th place, recording a 7.33% increase.

However, some states saw their rankings decline despite cost increases. Hawaii dropped 18 positions to 28th place, even with a 4.88% rise in costs, while Maryland fell 17 spots to 49th place with a 3.39% increase. Looking ahead, market forecasts suggest more moderate increases throughout Q4 2024 and Q1 2025, with residential reconstruction costs expected to rise by 1.49% and commercial costs by 1.98%.

Economic Indicators

Builder confidence showed signs of recovery in September, breaking a four-month downward trend with a two-point increase, according to the NAHB/Wells Fargo Housing Market Index.¹ While this uptick offers some in encouragement, confidence levels remain significantly below their three-year peak of 84 points recorded in December 2021.

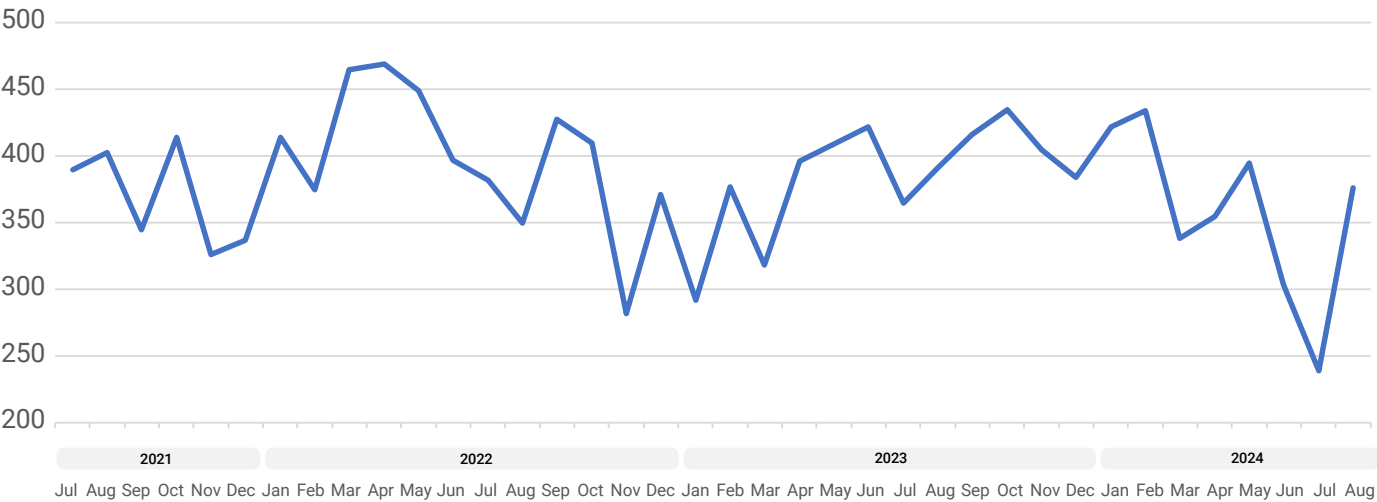
The Housing Market Index, which tracks three key components, reported improvements across all measures in September. Current sales conditions edged up by one point, while sales expectations for the next six months showed more substantial growth with a four-point increase. Traffic of prospective buyers also improved, rising by two points. In a notable shift, the September survey revealed that builders have begun reducing prices for the first time since April.



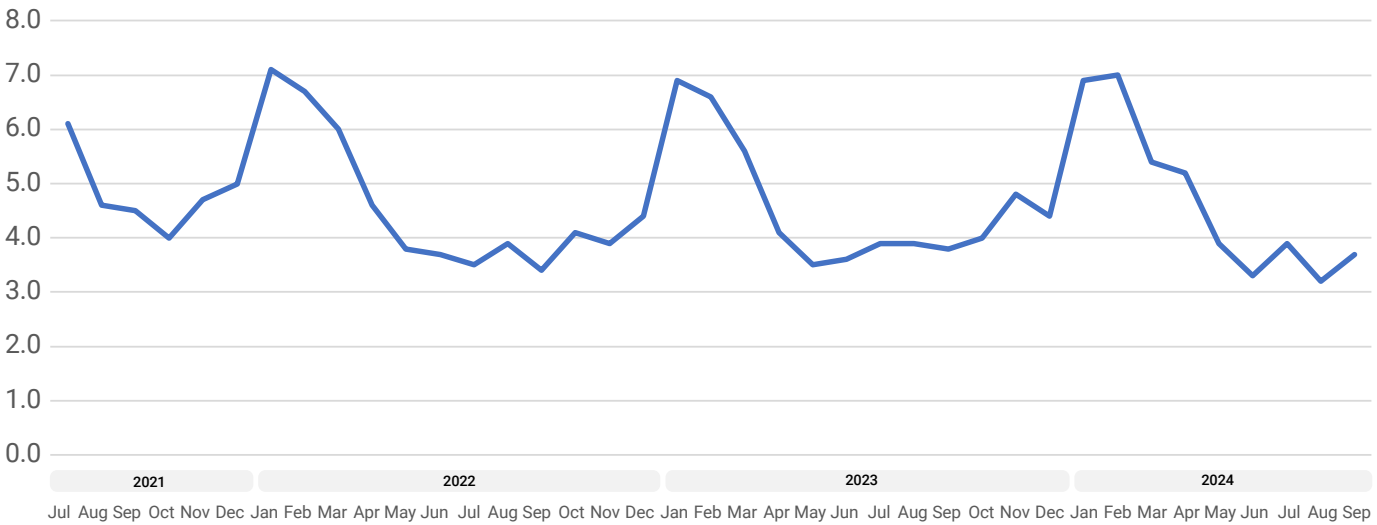
Recent data from the U.S. Bureau of Labor Statistics² reveals a complex picture of the construction industry’s labor market. While initial figures suggested a significant cooling, with job openings plunging 21.1% from June to July and a staggering 42% from May to July—marking the steepest two-month since the 47.76% drop in April 2012—more recent data indicates a different trajectory.

The preliminary August numbers paint a more optimistic picture, showing a robust 57.32% rebound in job openings from July’s low point. This sharp recovery suggests that earlier concerns about a rapid market slowdown may have been premature. Other key indicators reinforce this stability: Hiring levels have remained steady, and the unemployment rate in the construction industry has shown only minor fluctuations. After a brief uptick to 3.90% in July, unemployment settled back to 3.70% in September.

Construction Industry
Job Openings (thousands)

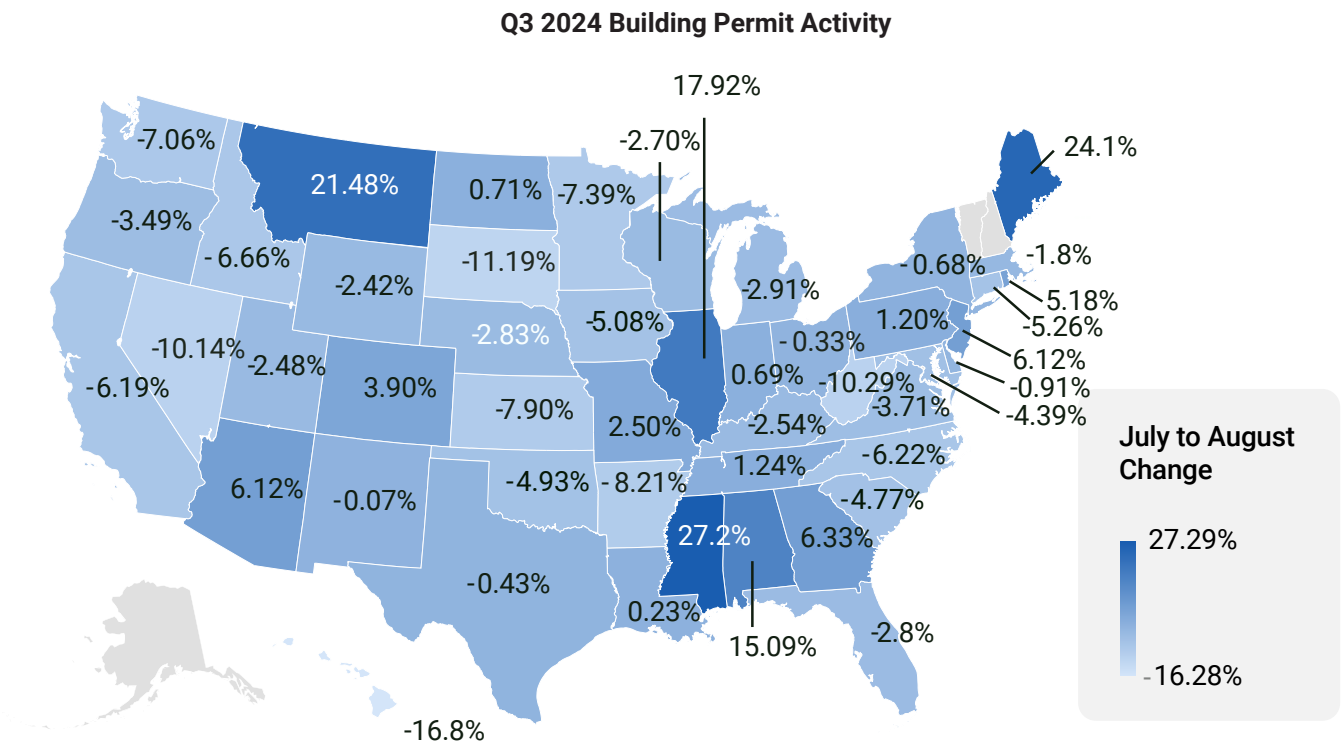


Unemployment Rate
Construction



A recent report from Buildfax®, a Verisk Analytics company, shows an overall decline in building permit activity, with total permits dropping 2.61% from July to August. The downturn was most pronounced in permits for existing structures, which fell 2.83%, while new construction permits saw only a minimal decrease of just 0.23%. Looking at the broader picture, building permits are down 10.33% from a year ago, with new construction experiencing the steepest drop at 11.21%.

Regional variations were significant, with Mississippi leading the nation in growth as permits increased by 27.29%. In contrast, Hawaii experienced the sharpest decline with a 16.28% decrease in permits. On the mainland U.S., South Dakota faced the most significant downturn, recording an 11.19% decrease in building permit activity.



Conclusion

The third quarter of 2024 revealed several key trends in property insurance claims and pricing data:

- Claim assignment volume held steady year-over-year, with catastrophe claims continuing to account for nearly two-thirds of the total.
- Average claim severity is expected to climb as more complex claims mature.
- Texas saw a substantial increase in wind and hail assignments, reflecting seasonal weather patterns that also drove losses in this category to over 58% of all claims.
- Hurricanes Helene and Milton dealt a severe blow to southeastern states, with material costs in affected areas rising at over six times the national rate in the month following landfall.
- Concrete masons experienced the steepest labor cost increases, while lumber stood out as the only material category to see prices decline both quarterly and year-over-year.
- Overall, Q3 2024 marked an acceleration in labor and material costs compared to 2023, though fuel prices bucked the trend with a significant quarterly decrease.
- Residential reconstruction costs 4.2% year-over-year and 1.2% in Q3, with New Hampshire leading all states at 7.66% annual growth.
- Commercial reconstruction costs increased more sharply at 5.6% year-over-year and 1.6% in Q3, with New Hampshire again leading at 11.92% annual growth.
- Market forecasts suggest moderate increases through Q4 2024 and Q1 2025, with residential reconstruction costs expected to rise 1.49% and commercial costs projected to increase 1.98%.

Where to get more insights

Industry Trends Reports

Verisk customers can use Industry Trend Reports to 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

The Pricing Research Methodology white paper on the [eService Center](#) offers further insight into Verisk's process for researching and publishing pricing information.

360Value Quarterly Reconstruction Cost Analysis

The 360Value® Quarterly Reconstruction Cost Analysis report gives an overview of current reconstruction cost trends at the national and state levels for the U.S.

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

¹ "NAHB/Wells Fargo Housing Market Index | (HMI)," National Association of Home Builders, published November, 2024, accessed November 14, 2024, <https://www.nahb.org/news-and-economics/housing-economics/indices/housing-market-index>.

² "Industries at a Glance: Construction: NAICS 23," U.S. Bureau of Labor Statistics, published November, 2024, accessed November 14, 2024, <https://www.bls.gov/iag/tgs/iag23.htm#workforce>



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