



# 360Value Quarterly Reconstruction Cost Analysis

**Q3 2023: United States**



The 360Value® Quarterly Reconstruction Cost Analysis is derived from monthly building cost updates and research conducted by Verisk using the industry-leading Xactimate estimating solution. This report provides reconstruction cost trends at the national and state levels.

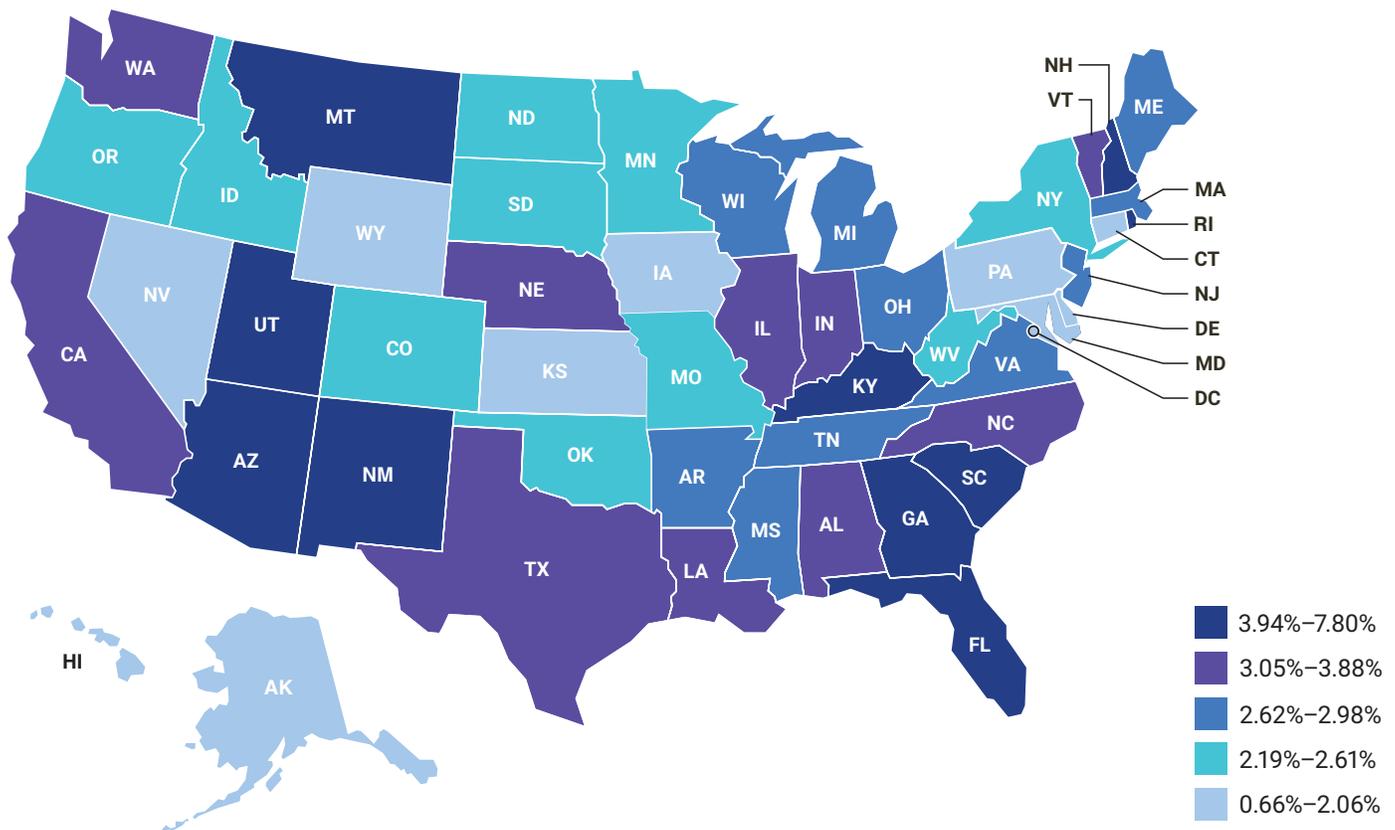
# Quarterly reconstruction cost increases continue to steady

Total reconstruction costs, including materials and retail labor, increased 4.3% from July 2022 to July 2023. This uptick follows the 3.1% increase from April 2022 to April 2023. Quarterly reconstruction costs increased by 1.0%, a slight shift from the 1.4% increase last quarter. Costs continue to slow down and steady, with increases ranging close to pre-pandemic levels.

Lumber continues its negative streak, decreasing nearly 29% in July 2023. Interior trim and drywall serve as key material drivers, increasing 14% and 10%, respectively. Concrete mason costs increased 11.5%, the highest of the labor categories. Recent Canadian wildfires may soon influence reconstruction costs as lumber production and access experiences impact.

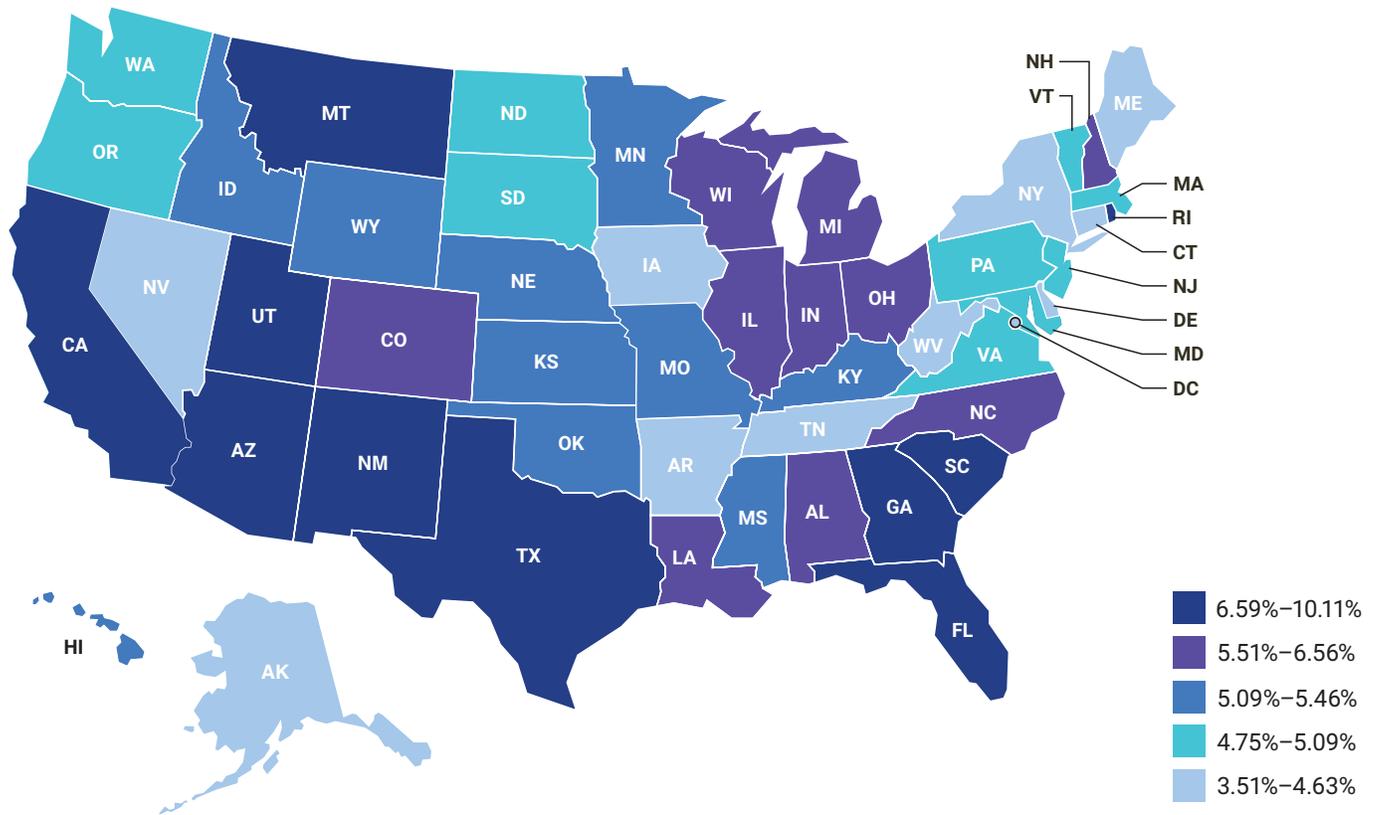
## Residential Reconstruction Costs

Every state saw higher residential reconstruction costs. Florida had the largest increase at 7.8%, followed by Utah (6.1%) and Rhode Island (6.0%). South Dakota's rank changed most significantly, decreasing from the 9th-highest cost increase in April 2023 to the 32nd-highest in July 2023; costs were up 2.6% in the state. Costs decreased the least in Iowa at 0.7% year-over-year. Residential costs, in total, increased 3.1% from July 2022 to July 2023 and 0.8% from April 2023 to July 2023.



### Commercial Reconstruction Costs

Every state saw higher commercial reconstruction costs. Utah had the largest increase at 10.1%, followed by Florida at 9.9%. Rhode Island had the largest shift in rank, up from the 32nd-highest cost increase in April 2023 to the 3rd-highest in July 2023, with prices rising 9.1% year-over-year. Alaska remains in last place, with costs increasing 3.5%. Commercial costs, in total, increased 5.6% from July 2022 to July 2023 and 1.2% from April 2023 to July 2023.



Changes in reconstruction costs by state

States are grouped in quintiles; each range/color in the legend includes 20% of the total number of states.

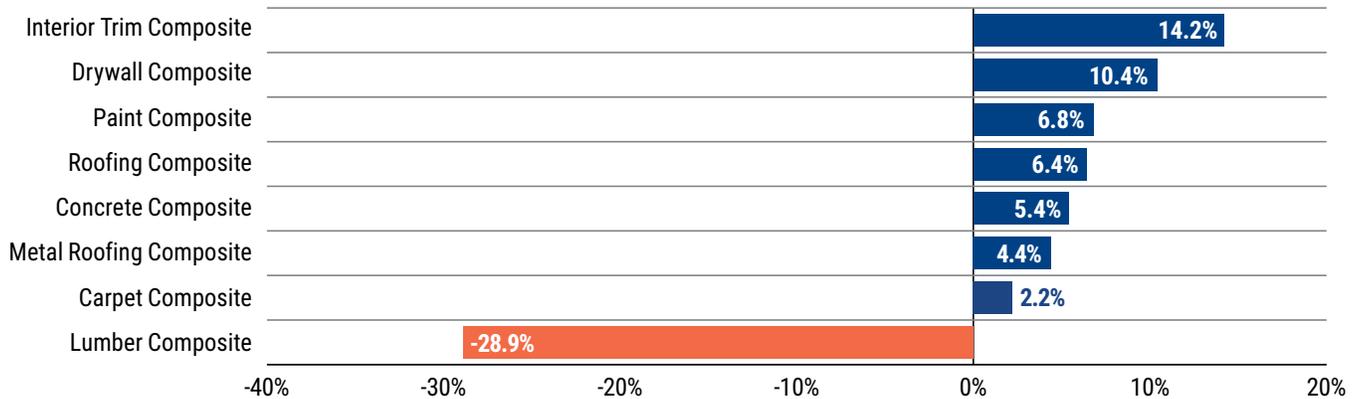
\*All rates, percentages, increases, decreases, etc., are calculated as percentage changes from July 2022 to July 2023 unless otherwise noted.

## Material Cost Analysis

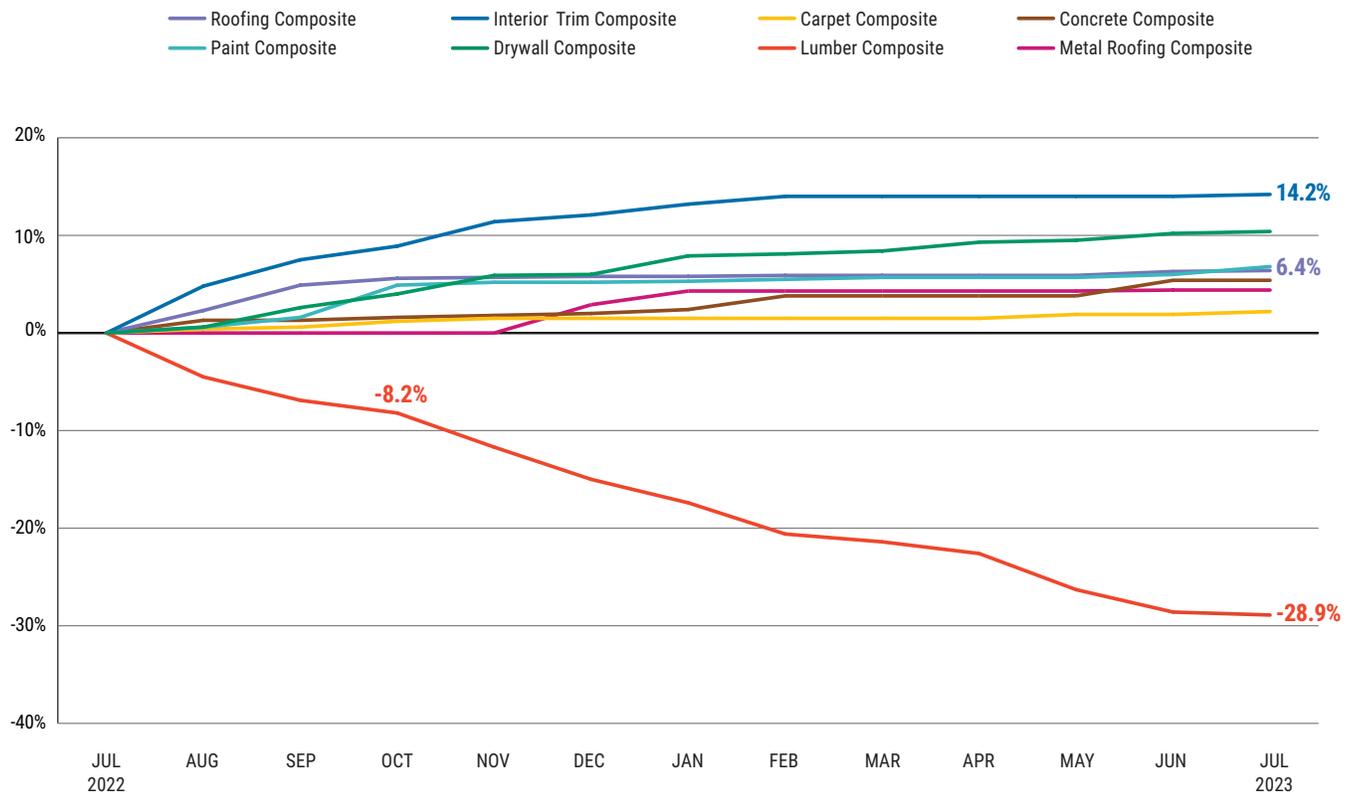
Combined costs for material composites decreased 1.6% from July 2022 to July 2023—a shift from the 4.2% decrease recorded from April 2022 to April 2023. Lumber composite costs declined consistently over the 15 months—the only negative composite this quarter at 28.9%. However, the composite still stands 38% higher than pre-pandemic levels.

Interior trim was the primary driver of materials, increasing 14.2%. Drywall and paint composites followed behind at 10.4% and 6.8%, respectively. Concrete, a heavily used commercial composite, increased at 5.4%.

Percentage change in costs



Percentage change in costs by month

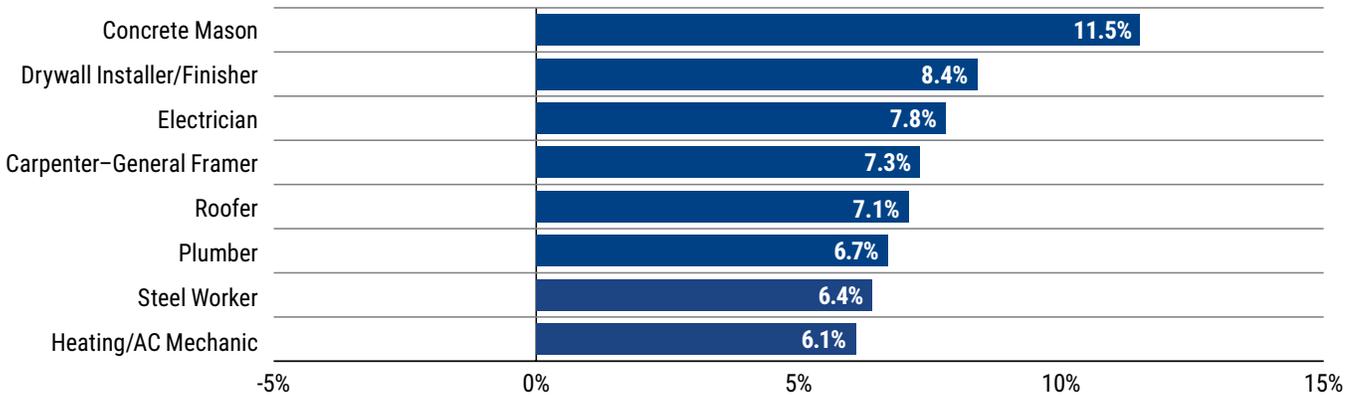


## Labor Cost Analysis

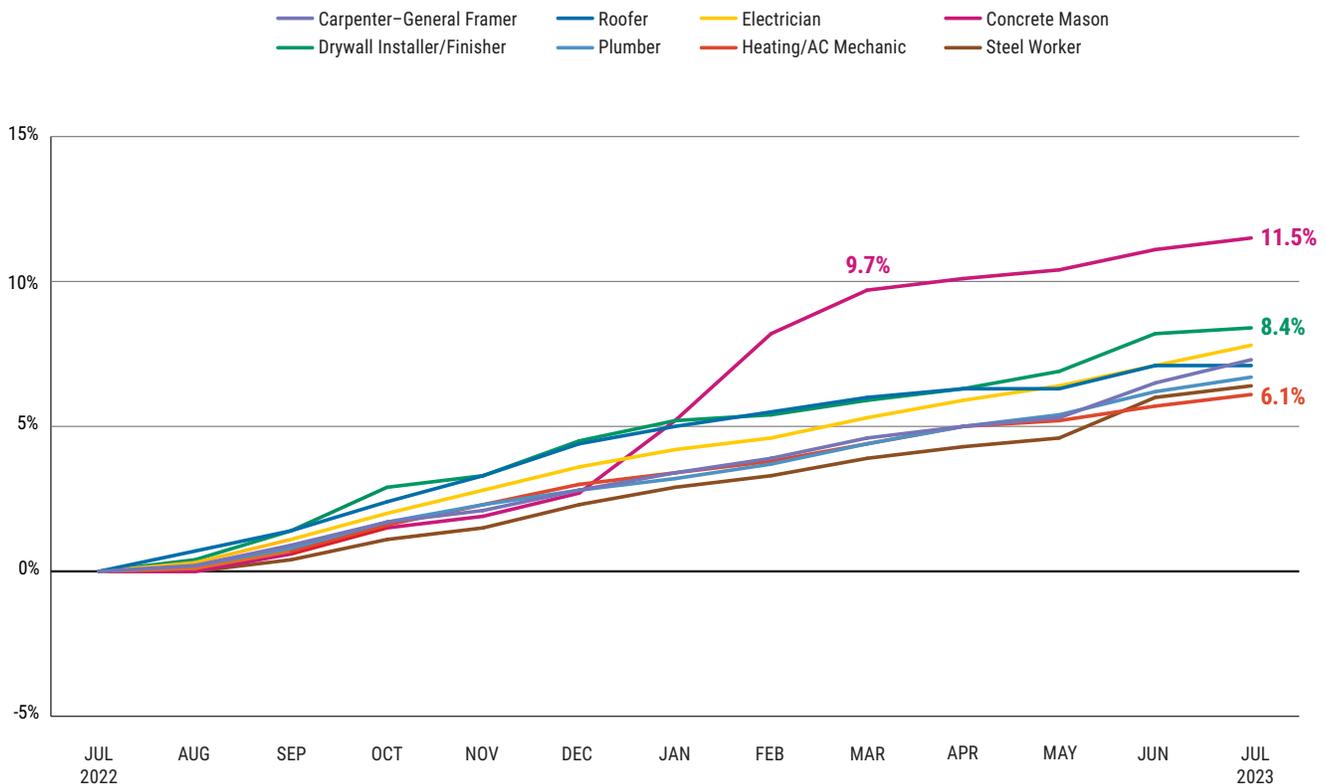
Combined hourly retail labor costs increased 8.6% from July 2022 to July 2023, on par with the 8.6% increase from April 2022 to April 2023. Labor costs have remained on a steady incline for the last few years.

Concrete mason costs increased the most at 11.5%. Drywall installer/finisher (8.4%), electrician (7.8%), and carpenter-general framer (7.3%) costs followed behind. Plumber, heating/AC mechanic, and steel worker costs all hovered in the 6% range.

Percentage change in costs



Percentage change in costs by month



## 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 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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