

TREND REPORT

United States



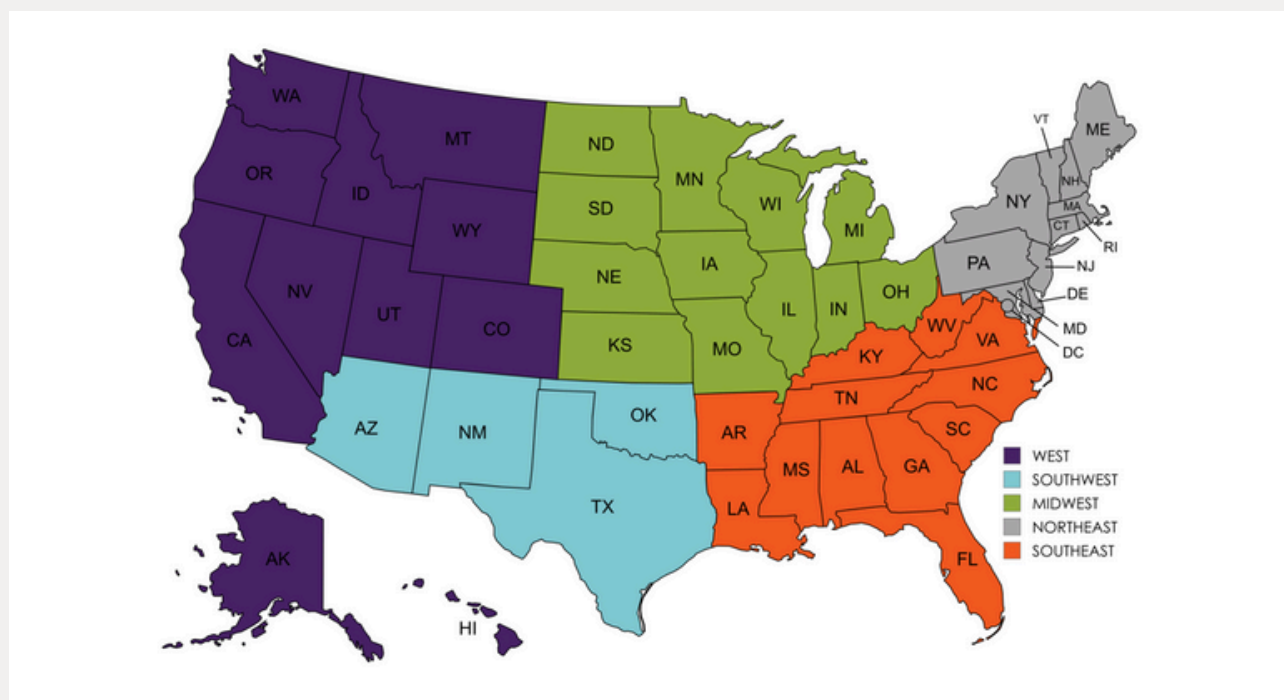
Period Analyzed:
October 2020 - October 2024

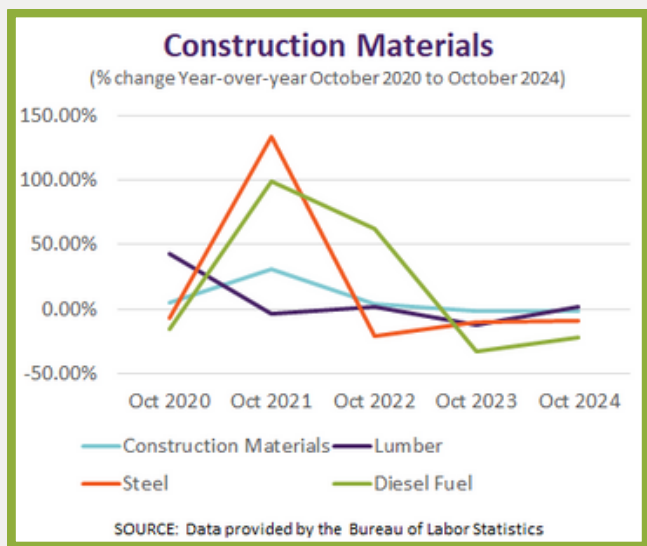
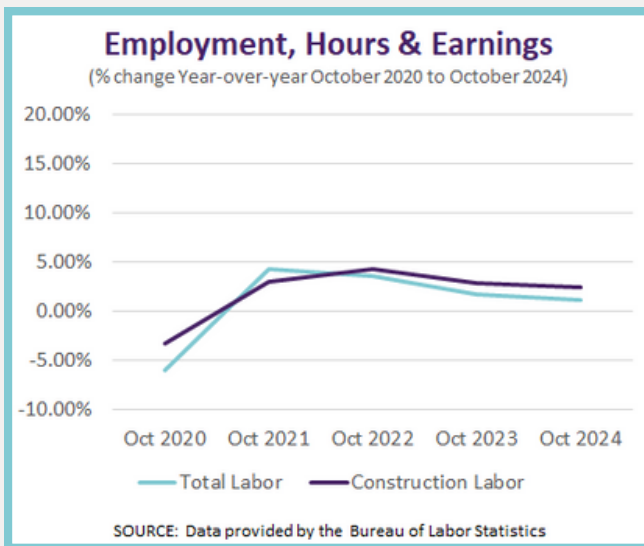
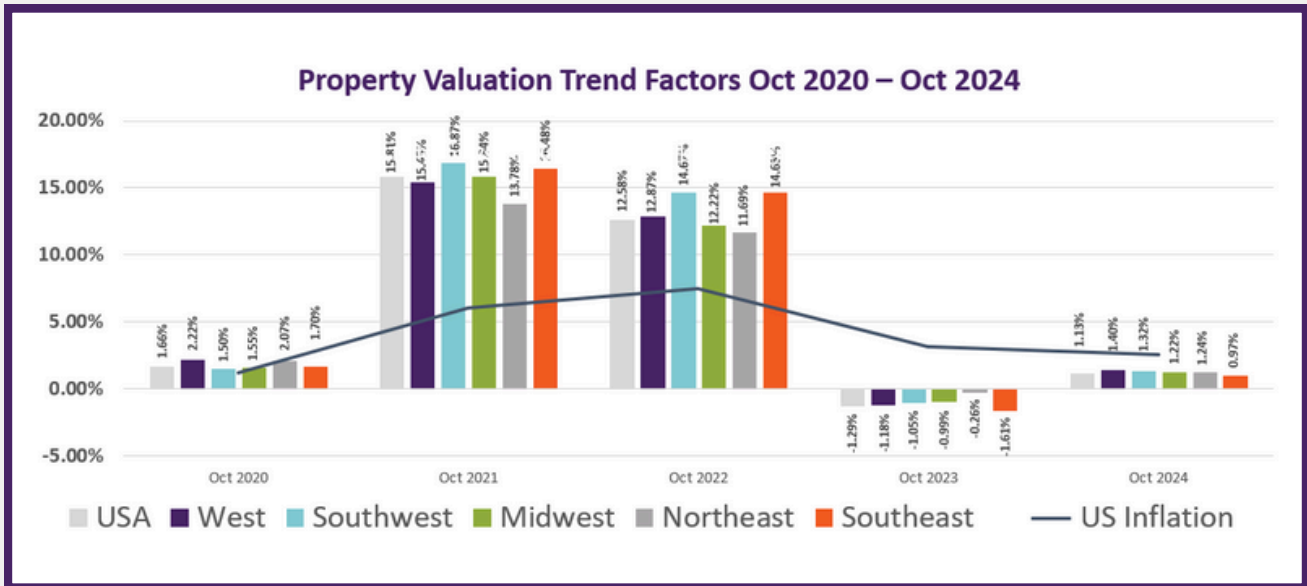
For any organization, being exposed to risk is inevitable which makes being prepared in the event of a risk occurrence extremely important. When it comes to property and casualty insurance, part of that preparation is having a good understanding of replacement cost value for the properties on your statement of values. Replacement cost values should be updated annually to reflect current market conditions. To accomplish this, it's a best practice to apply trend factors in non-appraisal years.

In this report, we'll take a look at how trend factors varied from October 2020 to October 2024 for the United States and by geographic region. Over this time period, property replacement cost values in the U.S. rose an estimated 32.36%.

Replacement Cost:

The amount required to replace an entire property in like utility and function. It is based on current market prices for labor, materials, equipment, contractors overhead, profit, and fees. It does not include provisions for overtime, bonuses, or premiums on materials.





Key Insights

Expectations

In most years, it's not uncommon to see an upward trend in replacement cost value, generally in the 2-4% range, tracking closely with inflation but varying by locality.

Modest Increases

The construction industry experienced modest increases in both labor and construction costs for the year-over-year period ending in October 2024.

Stabilization

Despite some stabilization in overall material prices, labor costs remain high when compared to pre-pandemic levels due to struggles with a skilled labor shortage.

Trends Applied

In a non-onsite appraisal year, we encourage organizations to apply the entire recommended trend factor. Concerns over how this affects insurance premiums should be addressed using discounts to premiums.

	OCT - 2020	OCT - 2021	OCT - 2022	OCT - 2023	OCT - 2024	
WEST	ALASKA	0.91%	12.85%	11.15%	-1.38%	0.75%
	CALIFORNIA	2.31%	14.27%	11.58%	-1.12%	2.01%
	COLORADO	2.22%	15.27%	14.12%	-1.80%	1.80%
	HAWAII	1.49%	13.05%	12.22%	0.03%	0.33%
	IDAHO	2.47%	17.94%	13.92%	-1.47%	0.45%
	MONTANA	2.11%	15.44%	12.72%	-1.74%	3.19%
	NEVADA	2.01%	16.09%	13.16%	-0.31%	1.87%
	OREGON	2.63%	16.11%	9.95%	0.40%	1.44%
	UTAH	3.77%	17.22%	15.08%	-2.02%	0.86%
	WASHINGTON	1.86%	14.91%	13.45%	-1.42%	2.08%
WYOMING	2.61%	16.85%	14.19%	-2.14%	0.60%	
	2.22%	15.45%	12.87%	-1.18%	1.40%	
SOUTHWEST	ARIZONA	0.90%	18.00%	16.02%	-2.41%	0.94%
	NEW MEXICO	1.19%	15.59%	15.40%	-1.38%	1.97%
	OKLAHOMA	1.91%	16.63%	13.80%	0.38%	1.32%
	TEXAS	2.00%	17.27%	13.46%	-0.79%	1.06%
	1.50%	16.87%	14.67%	-1.05%	1.32%	
MIDWEST	ILLINOIS	1.58%	13.94%	10.63%	-0.43%	0.95%
	INDIANA	0.80%	16.88%	12.15%	-0.97%	1.41%
	IOWA	2.14%	14.75%	13.28%	-1.87%	0.41%
	KANSAS	1.75%	15.48%	14.64%	0.01%	-0.29%
	MICHIGAN	1.49%	13.96%	12.22%	-0.51%	1.23%
	MINNESOTA	2.09%	16.29%	11.13%	-0.93%	1.23%
	MISSOURI	1.30%	15.72%	10.94%	-0.61%	1.08%
	NEBRASKA	1.67%	16.13%	12.14%	0.03%	2.27%
	NORTH DAKOTA	1.20%	15.82%	12.29%	-1.69%	2.05%
	OHIO	0.52%	17.04%	13.01%	-2.21%	1.67%
	SOUTH DAKOTA	1.95%	18.02%	13.73%	-2.21%	1.54%
WISCONSIN	2.05%	16.02%	10.45%	-0.50%	1.05%	
	1.55%	15.84%	12.22%	-0.99%	1.22%	
NORTHEAST	CONNECTICUT	2.39%	13.41%	10.62%	-0.46%	1.29%
	DELAWARE	2.24%	15.19%	12.87%	-1.30%	1.66%
	MAINE	2.11%	15.43%	11.26%	-0.19%	1.38%
	MARYLAND	1.40%	14.93%	13.80%	-1.25%	1.93%
	MASSACHUSETTS	2.55%	12.09%	10.51%	0.96%	1.18%
	NEW HAMPSHIRE	2.28%	13.17%	12.67%	-0.22%	0.74%
	NEW JERSEY	1.86%	12.32%	10.19%	0.32%	1.73%
	NEW YORK	2.59%	13.13%	10.62%	-0.19%	1.32%
	PENNSYLVANIA	1.34%	14.59%	11.70%	-0.60%	1.28%
	RHODE ISLAND	0.74%	13.64%	10.67%	0.78%	0.52%
	VERMONT	3.31%	13.71%	13.65%	-0.71%	0.62%
	2.07%	13.78%	11.69%	-0.26%	1.24%	
SOUTHEAST	ALABAMA	1.37%	16.62%	14.85%	-1.48%	0.30%
	ARKANSAS	1.95%	16.68%	16.64%	-1.96%	0.74%
	FLORIDA	1.13%	18.00%	14.27%	-1.99%	0.97%
	GEORGIA	2.55%	16.95%	15.11%	-1.94%	1.43%
	KENTUCKY	1.43%	12.91%	16.26%	-1.06%	0.57%
	LOUISIANA	1.21%	17.73%	13.97%	0.29%	0.37%
	MISSISSIPPI	1.89%	16.75%	15.09%	-3.30%	0.68%
	NORTH CAROLINA	1.71%	16.71%	15.16%	-3.07%	2.68%
	SOUTH CAROLINA	1.94%	16.04%	14.56%	-1.12%	1.09%
	TENNESSEE	1.90%	17.33%	14.16%	-0.92%	1.01%
	VIRGINIA	1.69%	17.46%	13.19%	-1.46%	1.09%
WEST VIRGINIA	1.63%	14.60%	12.28%	-1.28%	0.69%	
	1.70%	16.48%	14.63%	-1.61%	0.97%	

