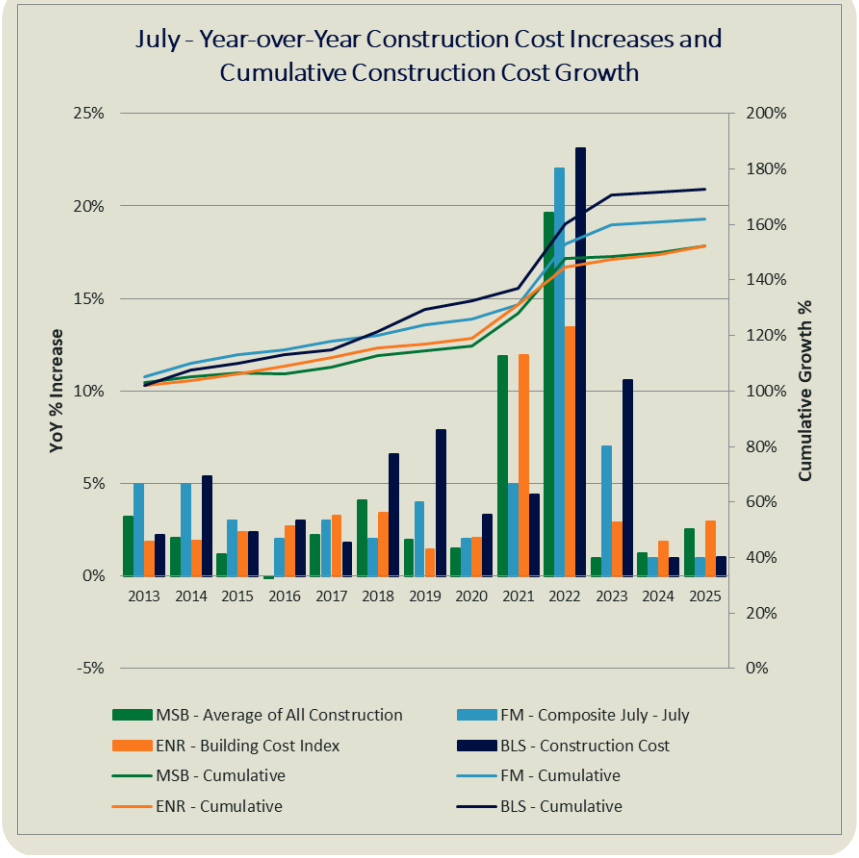


Cost Trend *Update*

July 2025



2025 Construction Cost Trends

BLS: Construction Cost
1.0%

ENR: Building Cost Index
3.0%

FM: Composite July - July
1.0%

MSB: Average of all Construction
2.6%

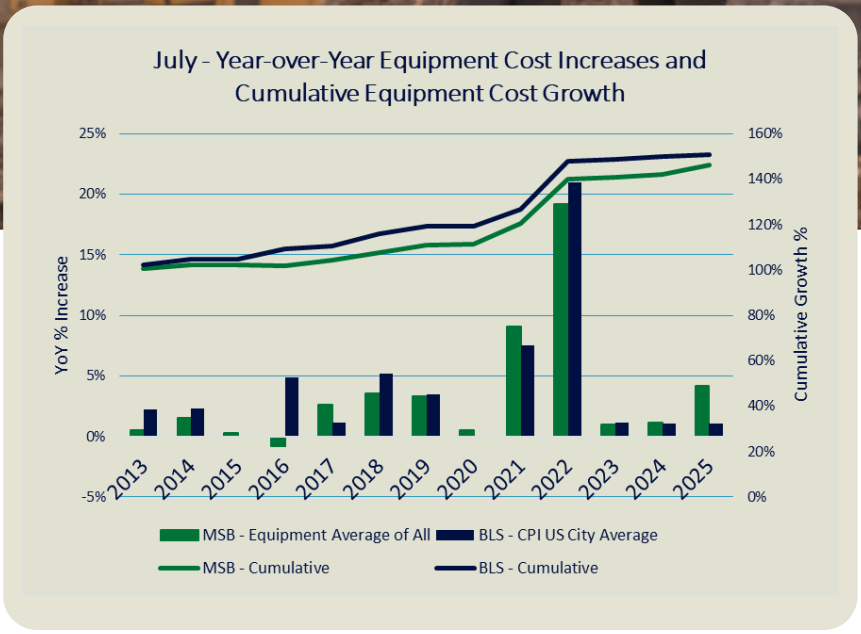
By Region
Eastern 2.8% | Central 2.5%
Western 2.3%

Current construction cost trends are significantly impacting the property insurance market. Over the past several years, the industry has seen a sharp increase in materials and labor costs, driven by persistent supply chain disruptions, inflationary pressures, and labor shortages. Volatility in the prices of key materials such as lumber, steel, and concrete has resulted in unpredictable and often elevated project expenses. These rising costs have made it more challenging for insurers to accurately estimate replacement costs and set appropriate coverage limits, leading many carriers to adjust premiums, tighten underwriting guidelines, and increase scrutiny during renewal periods. As a result, property owners and risk managers must remain vigilant, regularly review and update their property valuations to ensure adequate coverage in an evolving construction and insurance landscape.

CBIZ



Cost Trend *Update* | July | 2025



2025 Equipment Cost Trends

BLS: CPI US City Average

1.0%

MSB: Equipment Average of All

4.1%

This year marks a shift in equipment pricing trends, with average costs rising 3.0% over last year.

Accurate insurable values are fundamental for ensuring that policyholders are adequately protected, premiums are fair, and both insurers and insured parties can operate with confidence and stability, regardless of broader market conditions.

Learn More About Our Valuation Services

Contact us today!



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Sources
Marshall & Swift/CoreLogic - Quarterly Cost Indexes
FM Global - Cost Trends - Industrial Buildings
US Bureau of Labor Statistics - Consumer Price Index
Engineering New Record
Risk Management Solutions

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