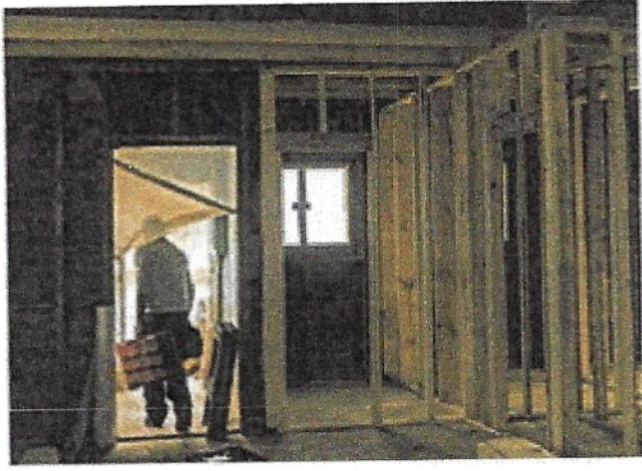


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Home repair in North Carolina last week. The state is one of several where hurricane-reconstruction efforts are ongoing. ANGELA OWENS/ WSJ

Disasters Squeeze Resources for Rebuilding

BY REBECCA PICCIOTTO

A battle for disaster recovery resources is poised to erupt across the U.S.

The vast scale of Los Angeles's wildfire damage is coming into view, while devastated cities on the other coast are just starting to rebuild after back-to-back hurricanes ravaged the Southeast last fall.

Rarely have so many cities ruined by natural disasters attempted to rebuild around the same time. Hurricane reconstruction efforts are under way in North Carolina, Florida, Georgia, South Carolina, Virginia and Tennessee. Soon, Los Angeles County will be starting to rebuild.

"We've had disasters like these," said Jay Lybik, national director of multifamily analytics at CoStar. "But never anything like this where we've had so many."

Cities in rebuilding mode are now all vying for specialized construction labor, scarce building materials and custom home appliances. Competition for resources would likely slow the pace of recovery for all the cities, some home builders and developers said.

Builders may not experience all these shortages immediately. Insurance negotiations, permitting approvals and other parts of the recovery process are likely to be a long slog. That can prevent rebuilding projects from breaking ground all at once, allowing local supply chains and labor forces to keep up.

As more projects get under way, escalating demand for home-building resources could course through the economy, tightening supply chains and driving up costs.

The fires in Southern California have destroyed more than 12,000 structures. They are on track to be the country's costliest wildfire disaster ever, with early estimates of the total economic loss put at nearly \$50 billion.

Hurricane Helene and Hurricane Milton, which killed more than 250 people in the fall, also led to a combined loss estimated at another \$50 billion between affected areas like Florida and North Carolina.

Signs of a squeeze are already emerging.

Some construction crews helping to repair Florida's Gulf Coast are considering driving to Los Angeles for the wildfire recovery because they think more opportunities exist there, said Saket Soni, executive director of Resilience Force, an organization that helps train, deploy and protect disaster recovery workers. Recovery crews are often spread thin and

have to bounce from one wreckage site to another. One disaster recovery worker drove a crew of nine from Louisiana's Hurricane Francine destruction to Florida after Hurricane Helene, Soni said. He had already worked 19 hurricanes before that.

"You're going to have a Hunger Games-style competition for materials and labor," said Sean Burton, chief executive at the Los Angeles-based multifamily development firm Cityview.

Builders will compete for engineering resources, architectural resources and debris removal, he added. Burton thinks that the government, homeowners and contractors should buy appliances and building materials in bulk to reduce costs and expedite the redevelopment effort in Southern Cali-

fornia, even if that means storing some of that supply in vacant warehouse space.

If President-elect Donald Trump follows through on his vow to impose stiff tariffs and deport undocumented workers, rebuilding could become even more fraught. Undocumented workers comprise an estimated 13% of the construction industry, while many builders rely on imported steel, lumber and other materials that could soon be more expensive.

Soni said a mass wave of deportations could lure more undocumented workers to Los Angeles, since they might feel safer working in a sanctuary state like California.

Meanwhile, some in the building business are getting ready for the materials race by looking to alternatives.

Kishani Perera, a Los Angeles-based interior designer, is suggesting that her clients consider rebuilding their homes with unconventional materials. Instead of lumber framing, she proposes aluminum; instead of fiberglass insulation, sheep's wool; instead of drywall, magnesium board.

For years, she has pitched these alternatives as being more climate-resilient. Now, Perera also plans to recommend them as tariff-resilient.

"All these materials can be found in America," she said.

Rebuilding neighborhoods after one natural disaster takes years in the U.S. Recovering from three of them almost simultaneously could drag out the timeline even further.

More than three months after the hurricanes, Asheville, N.C., is still cleaning up debris. Some homeowners have only now finished negotiating with their insurance companies and so their rebuilds are just getting started.

John Judd Jr., the co-owner of Judd Builders, a luxury home builder in Asheville, said the pace of rebuilding has been slow. Projects he took on within three weeks after the hurricanes hit are only now in the framing stage. He was dealing with construction labor shortages and long waiting periods for high-end materials and appliances— obstacles left over from the pandemic.

Given those delays, he already expected that Asheville wouldn't fully recover until the end of the decade.

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