



Reconstruction Cost Analysis

Q1 2025: Canada

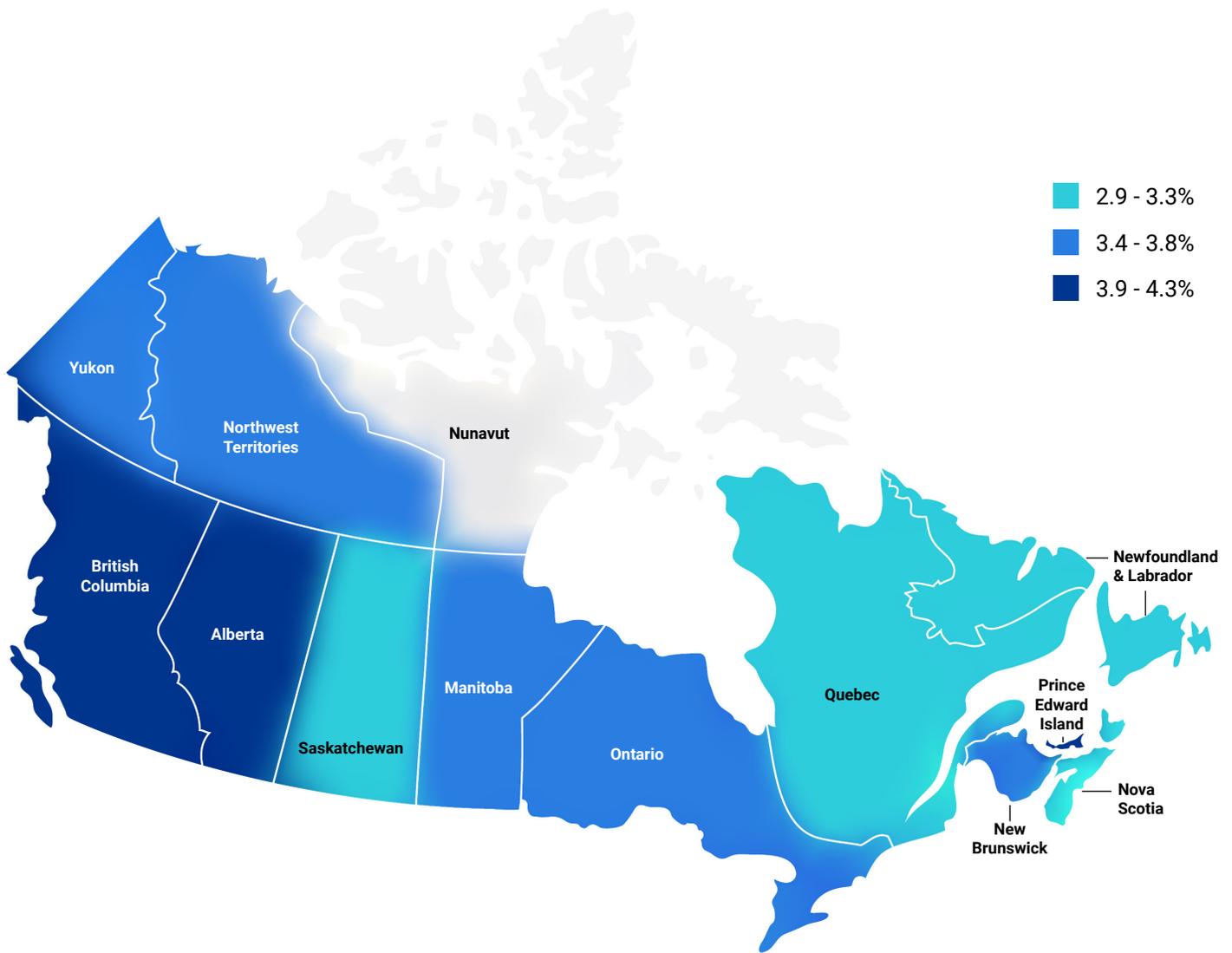


Key Trends

This report provides reconstruction cost trends at the national and provincial levels from January 2024 to January 2025. The Reconstruction Cost Analysis is derived from property cost research based on 86 cities across Canada that have been identified as Verisk Canada's "Centres of Influence."

1. Moderate year over year (YOY) increases continue into 2025. The summer of 2024 catastrophe (CAT) losses have affected rebuilds to some extent—particularly roofing costs—due to higher demand for materials and labour, but this has been seen mostly in Alberta.
2. Construction material costs remain relatively stable aside from roofing in Alberta. Bathroom costs continue to track higher than expected, and this is related to slightly elevated demand.
3. Component costs have increased 4.1% YOY (4.1% YOY in September 2024) despite a spike in roofing in Alberta (+7.2%)
4. Labour costs and availability over the summer and fall have varied across the country. Some obvious pressures were experienced in Alberta in the roofing category, but otherwise there were no severe issues compared with 2023.



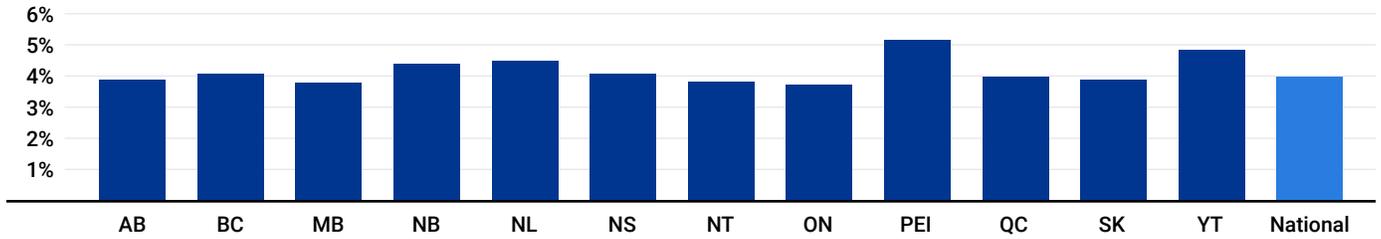


Residential Reconstruction Costs

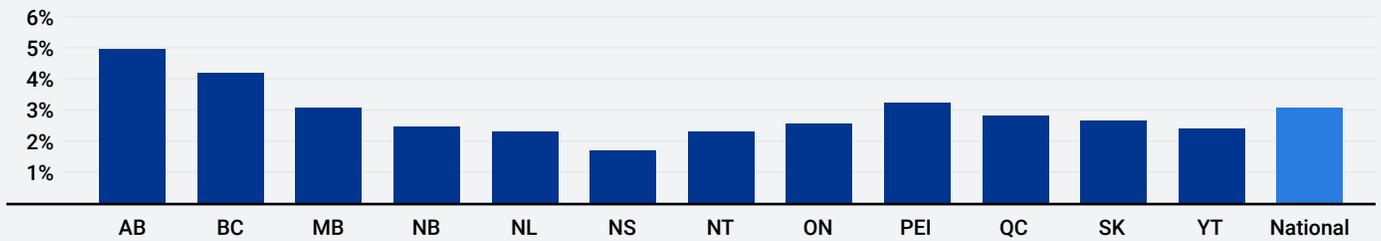
The rate of quarterly price increases has slowed further and points to a general flattening after a turbulent period between 2019 and 2023. Alberta and British Columbia lead with the highest YOY increases at 4.2% and 3.9% respectively, while Ontario and Quebec are below the national average. Square foot costs continue to show high increases in Prince Edward Island, driven particularly by the 1,000SF and 5,000SF models.

YOY SF Changes

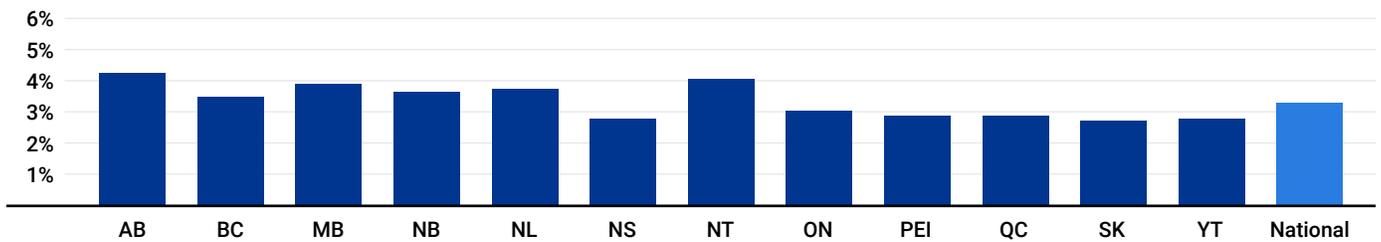
1,000 SF



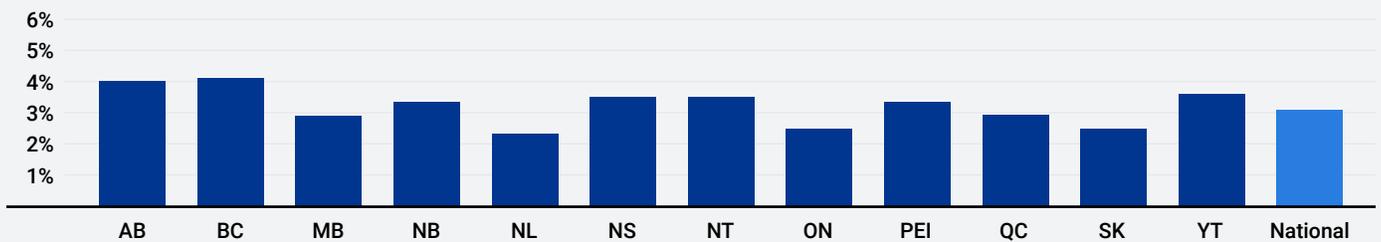
2,000 SF



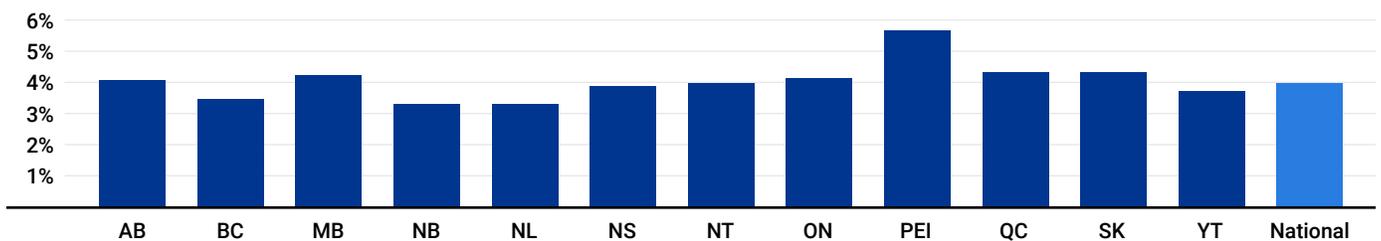
3,000 SF



4,000 SF



5,000 SF

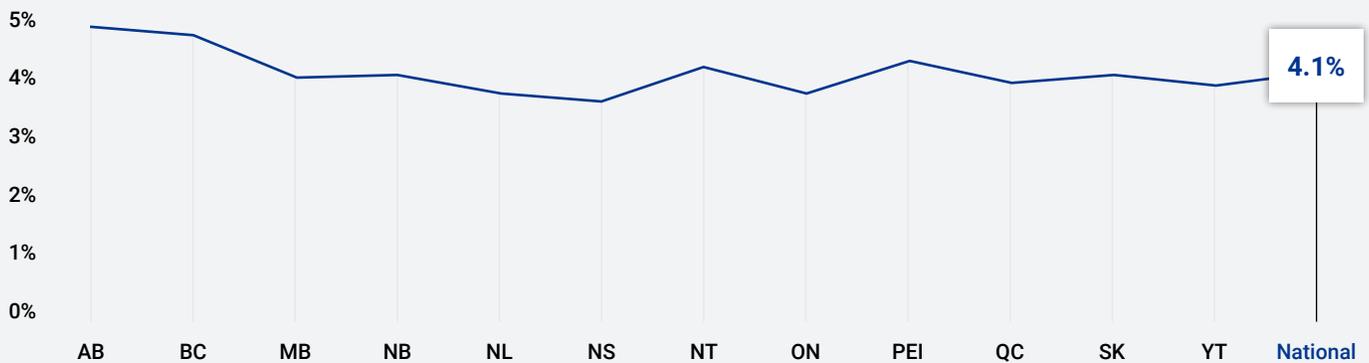


Component Costs

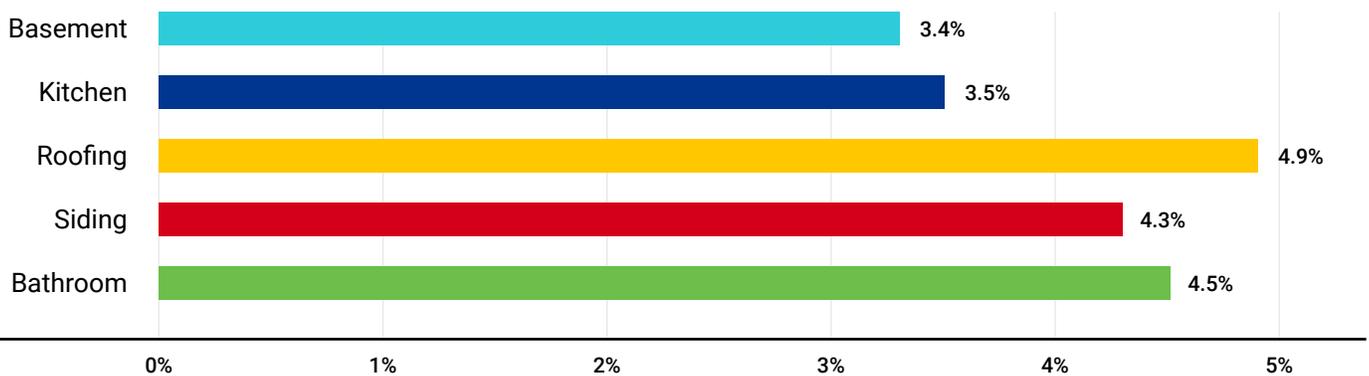
The national YOY increase was 4.1%. Alberta and British Columbia led overall increases (4.9% YOY and 4.7% YOY, respectively), and this was largely driven by roofing and siding components. Ontario recorded a relatively moderate YOY increase of 3.8%—just under the national average of 4.1% (down from a YOY increase of 4.5% in September 2024).

Roofing has recorded a YOY spike of 7.2% in Alberta and 6.4% in British Columbia, largely due to the summer hail catastrophe in Western Canada. Prince Edward Island recorded higher than expected costs for roofing in the 1,000SF and 5,000SF models. Generally, the Alberta hailstorm affected roofing prices across the country, and this is likely to continue into spring 2025.

YOY Component Cost Increases (by Province)



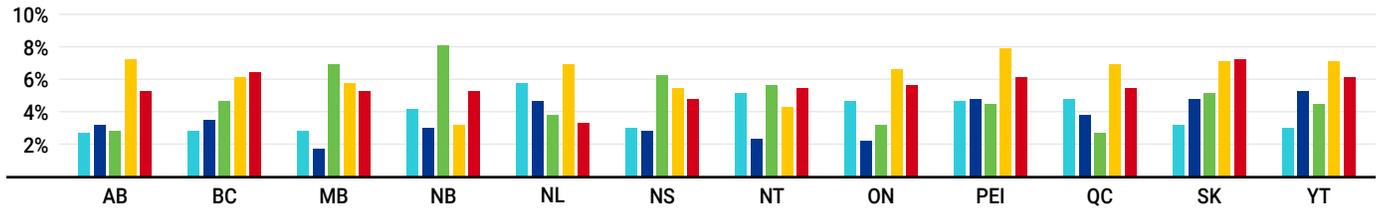
YOY Component Cost changes (by Component)



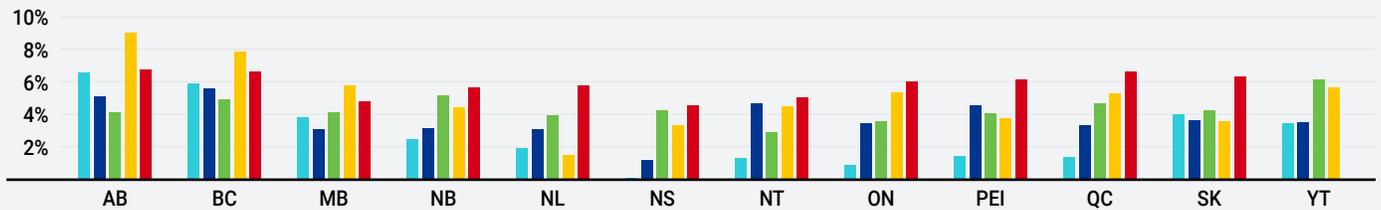
Component Cost Breakdowns by Model

January 2024 VS January 2025

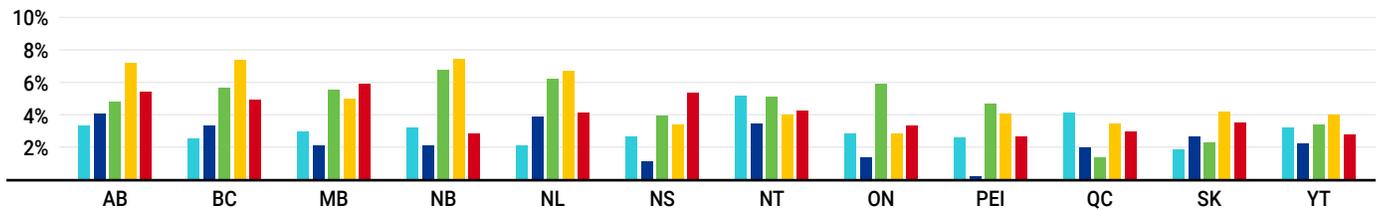
Component Costs - 1,000 SF



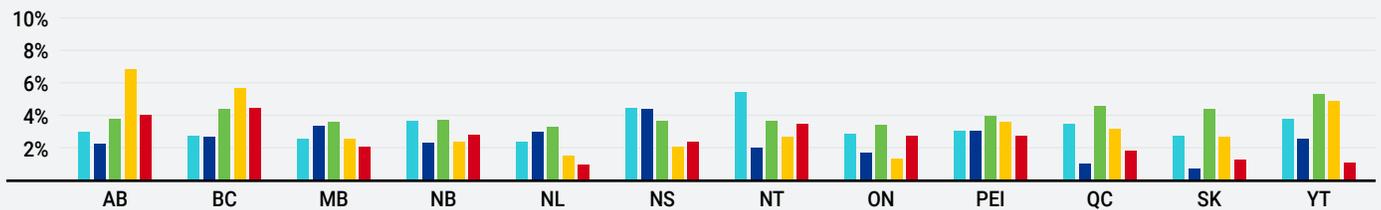
Component Costs - 2,000 SF



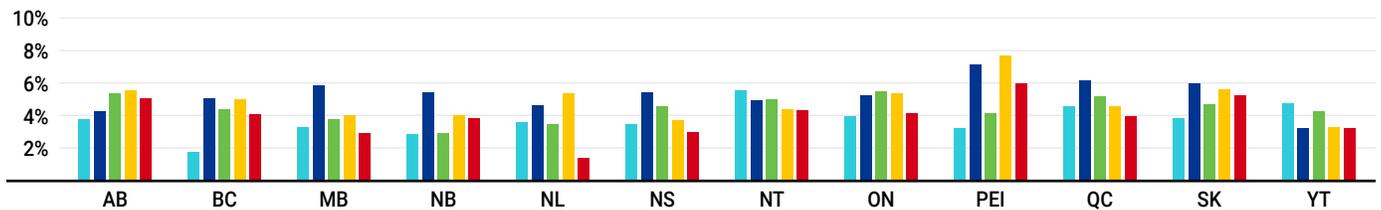
Component Costs - 3,000 SF



Component Costs - 4,000 SF



Component Costs - 5,000 SF

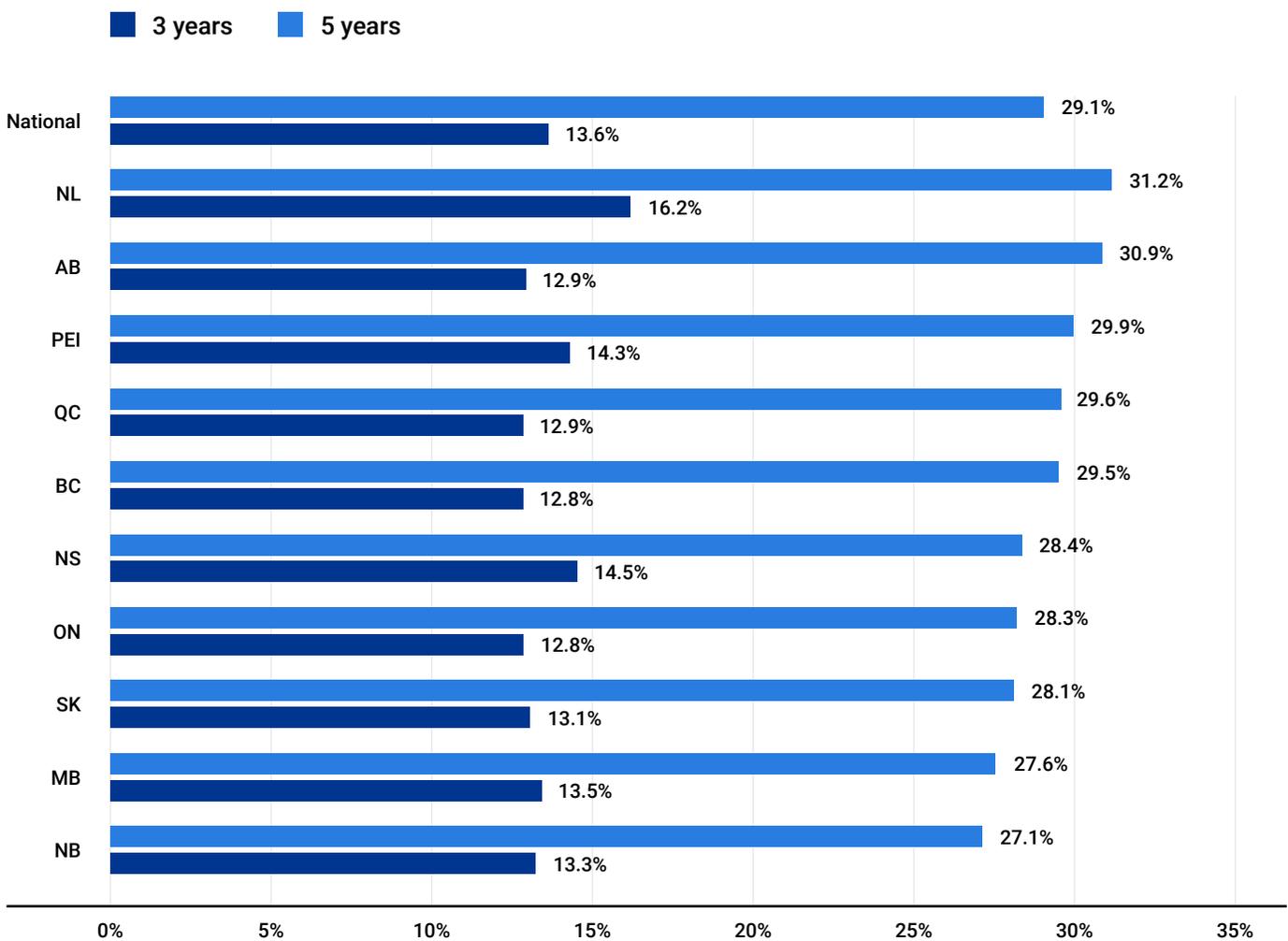


■ Basement
 ■ Kitchen
 ■ Bathroom
 ■ Roofing
 ■ Alum. Siding

Rebuild Costs Reveal Price Volatility— With ITV Implications

Verisk Canada’s insights reveal how price volatility has grown and persisted over a five-year span of Canadian residential insurance rebuild costs per square foot. This graph shows the annual average percentage increase each year—a cumulative rise of 29.1% in five years from a base year January 2020 and a 13.6% rise in the past three years (base year January 2022). Such market forces could have serious implications for insurance to value (ITV) in a portfolio built on unreliable valuations with outdated or incomplete data.

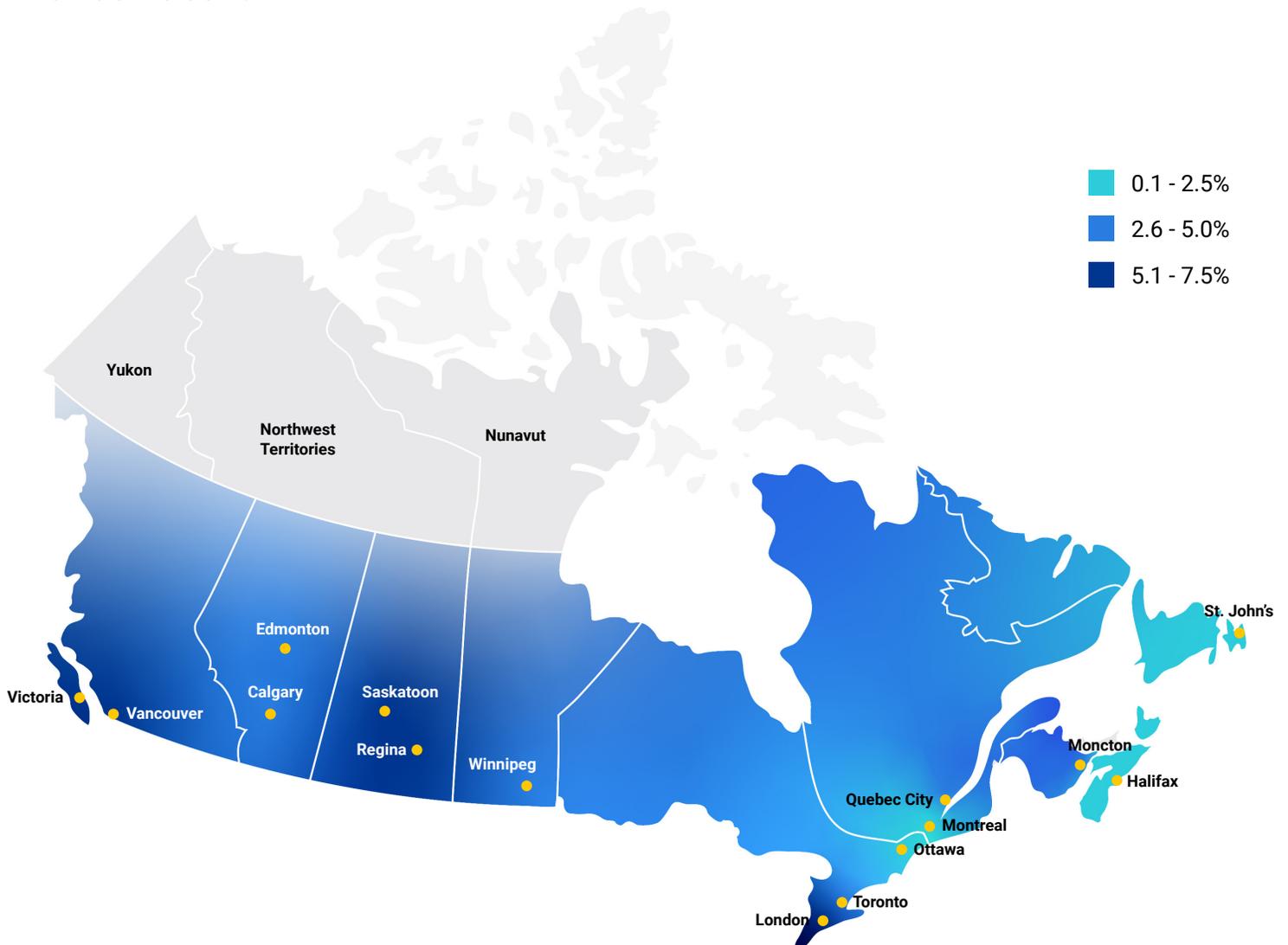
Residential SQ FT Rebuild Change



Commercial Building Construction Price Index YOY Changes

Q3 2024 vs Q3 2023

The Building Construction Price Indexes (BCPI) are quarterly series tracked by Statistics Canada that measure change over time in the prices that contractors charge to construct a range of new commercial, institutional, industrial, and residential buildings.ⁱ The series is limited to building construction in 15 census metropolitan areas (CMAs): St. John's, Moncton, Halifax, Montréal, Québec City, London, Ottawa-Gatineau (Ontario part), Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver and Victoria.ⁱⁱ The contractor's price reflects the value of all materials, labour, equipment, overhead, and profit to construct a new building. It excludes value-added taxes and any costs for land, land assembly, building design, land development, and real estate fees. The highest change between Q3 2024 vs Q3 2023 occurred in Victoria with a YOY increase of 6.7%, while Halifax had the lowest at 2.1%. The YOY change for all 15 CMAs is 3.9%.



Record-Breaking 2024 Tests Insurers' Readiness

It's becoming more challenging for property insurers to select risk and write policies in Canada. 2024 shattered records for the costliest year for severe weather-related losses in Canadian history at \$8.5 billionⁱⁱⁱ. The number of claims is not only putting a strain on the process but also driving increased costs. Since 2019, Canada has experienced a 115% increase in the number of claims for personal property damage and a 485% increase in the costs for repairing and replacing personal property.ⁱⁱⁱ These exposures call for awareness to help ensure adequate coverage and, where possible, guide loss-control measures to mitigate potential claims. How is your property book holding up? Consider combining data analytics with traditional methods to provide a comprehensive view of your exposures and help identify potential risks. Here are a few steps you can take:



Run Your In-Force Book:

Identify properties that are underinsured, have changed over time, or have high peril exposures (like flood or wildfire) to determine risk-reducing actions.



Combine analytics with inspections:

Use analytics to determine which properties need immediate attention and should be prioritized for inspection (on-the-ground or virtual).



Order an appraisal:

Ensure your commercial property values are accurate and up-to-date to avoid underinsurance.

By integrating these methods, you can create a more robust and resilient property book.

**Explore
your
options**

Move forward with a trusted partner at your side: Verisk Canada, shaping the future of the industry as a leading hub of critical risk data and intelligence. Let's work together to build better tomorrows and long-term resilience for people, businesses, and communities.

Verisk Canada's 86 Centres of Influence

Data is collected from 300 licensed contractors across 86 cities in Canada identified as "Centres of Influence" and generates more than 7,750 data points annually that are used to validate the accuracy and regional relevance of iClarify™ replacement costs in Canada. Local taxes, overhead and profit, productivity, debris removal, general conditions, and other essential costs are completely and accurately reflected in the local reconstruction values of homes.



British Columbia

- Chilliwack
- Cranbrook
- Fort St John
- Kamloops
- Kelowna
- Nanaimo
- Prince George
- Prince Rupert
- Vancouver
- Victoria
- Whistler
- Williams Lake

Alberta

- Calgary
- Canmore
- Edmonton
- Fort McMurray
- Grande Prairie
- Jasper
- Lethbridge
- Medicine Hat
- Red Deer
- Wood Buffalo

Saskatchewan

- Lloydminster
- North Battleford

- Prince Albert
- Regina
- Saskatoon
- Swift Current
- Yorkton

Manitoba

- Brandon
- Grand Rapids
- Thompson
- Winnipeg

Ontario

- Barrie
- Guelph

- Hamilton
- Kapuskasing
- Kenora
- Kingston
- Kitchener
- London
- Norfolk
- North Bay
- Oshawa
- Ottawa
- Parry Sound
- Pembroke
- Peterborough
- Sarnia
- Sault St Marie

- St Catherines
- Sudbury
- Thunder Bay
- Timmins
- Toronto
- Windsor

PEI

- Charlottetown

Quebec

- Chicoutimi
- Gatineau
- Montreal
- Quebec City

- Rimouski
- Rouyn Noranda
- Saint Hyacinthe
- Sept-Iles
- Sherbrooke
- Sorel-Tracey
- Trois Rivieres

Atlantic

- Bathurst
- Corner Brook
- Edmunston
- Fredericton
- Grand Falls
- Halifax

- Kentville
- Miramachi
- Moncton
- New Glasgow
- Saint John
- St. Anthony
- St. John's
- Sydney
- Truro
- Yarmouth

Northern Canada

- Yellowknife
- Whitehorse

About Verisk Canada

Opta is now Verisk, Canada's leading provider of property intelligence and technology solutions. With roots in the Canadian Fire Underwriters' Association (founded in 1883), Verisk Canada possesses the country's most comprehensive structured risk information property database. Recognized for its innovative, industry-leading property validation tool, iClarify, Verisk Canada continues to deliver business intelligence that powers digital transformation for insurers and financial services companies in Canada —now with deeper resources than ever.

For additional information on Verisk Canada, visit optaintel.ca

For inquiries related to this report, contact SolutionSupport@verisk.com

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ⁱ <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2022013-eng.htm>

ⁱⁱ <https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=2317>

ⁱⁱⁱ <https://www.abc.ca/news-insights/news/2024-shatters-record-for-costliest-year-for-severe-weather-related-losses-in-canadian-history-at-8-5-billion>