



Reconstruction Cost Analysis

Q3 2026: Canada

This report presents reconstruction cost trends across Canada—both nationally and provincially—from September 2025 to September 2026, based on data from Verisk Canada's "Centres of Influence," a network of 86 cities selected for their significance in property cost analysis.

Saskatchewan
1 of 86 Centres of Influence



Key trends in Canada

Q3 2026

Residential rebuilding costs continued to accelerate through September 2026. Component costs increased 4.3% year-over-year (up from 3.4% in May), while square-foot costs rose 5.0% year-over-year (up from 4.0% in May). Between May and August, component costs have increased 2.9% and square-foot costs 1.7%, indicating sustained upward pressure on rebuilding costs across Canada.

This 12-month reporting period was characterized by an unusually high volume of severe weather events and related resource disruptions. Four factors continue to have the greatest influence on rebuilding costs, ranked by overall impact:



Catastrophic (CAT) Weather Events

Windstorms, hail, flooding, and wildfires across the Prairies, Ontario, Quebec, and British Columbia increased demand for repair and rebuilding services, straining labour and material supply chains and driving rebuilding costs higher. Recent severe weather and flooding in Southern Ontario are expected to continue impacting costs through 2027.

Outlook: Rebuilding demand from Prairie and British Columbia wildfire activity is expected to remain elevated into early 2027, increasing competition for roofing, siding, and exterior contracting resources and contributing to localized rebuilding cost inflation.



Fuel Costs

Diesel prices remained elevated throughout the reporting period, increasing by 49.5% year-over-year by the end of August 2026.¹ Higher fuel costs continue to impact transportation, excavation, concrete delivery, and material freight expenses, contributing to higher rebuilding costs, particularly for flood-related repairs.

Outlook: Diesel prices remain significantly above prior-year levels, with ongoing geopolitical pressures and limited signs of near-term relief, sustaining upward pressure on construction and rebuilding costs.



Labour Shortages

Persistent shortages of skilled trades continue to be one of the largest drivers of rebuilding cost inflation. Successive CAT events have further concentrated demand in affected regions, tightening labour availability nationwide.

Outlook: No meaningful improvement is expected in the near term, as CAT activity continues to strain the available skilled trades workforce across Canada.



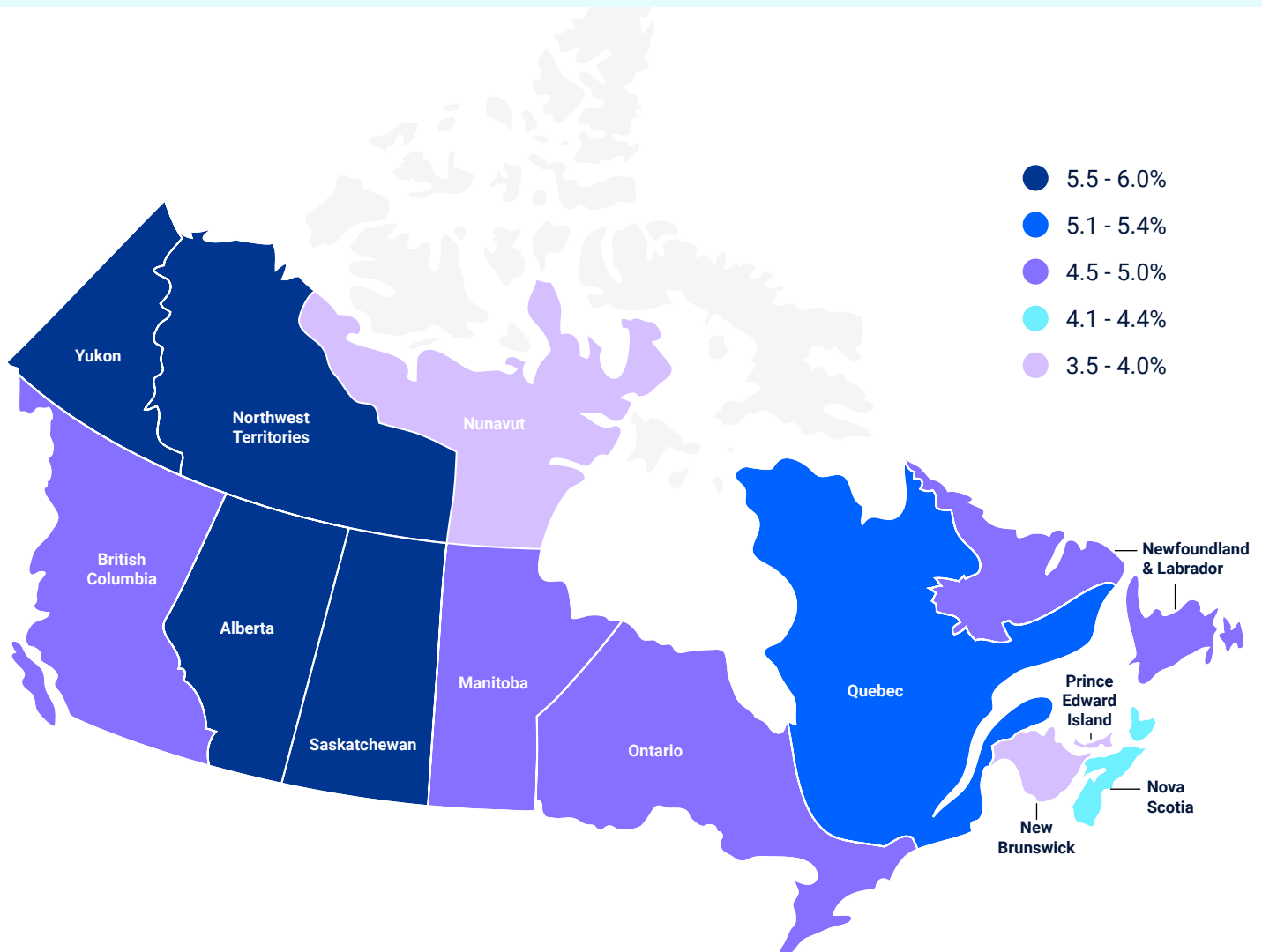
Tariffs and Material Cost Risk

While direct tariff impacts were limited during the reporting period, evolving trade policies continue to create material cost uncertainty. Tariffs on select imports, including steel and appliances, could increase construction input costs and rebuilding values.

Outlook: Tariffs remain a key inflationary risk. Although alternative sourcing has helped offset some impacts, higher costs for steel, appliances, and other construction materials could contribute to further rebuilding cost increases in upcoming reporting periods.

Residential reconstruction costs

Nationally, square foot rebuilding costs increased 1.7% between May 2026 and September 2026, and 5.0% year-over-year. Cost increases remain highest for smaller homes, particularly in catastrophic weather event-affected regions and major urban centres, including all cities in Saskatchewan and Manitoba, Calgary, Edmonton, Jasper, British Columbia's urban markets, Toronto, St. Catharines, Ottawa, and Montréal. This reflects a housing stock concentrated in the 1,000- to 2,000-square-foot range, where hail, flooding, wildfire rebuilding, and repair activity place greater pressure on labour and materials. Fixed project expenses, such as demolition, debris removal, mobilization, permits, and planning costs, also have a greater impact when spread across a smaller footprint.



Provincial highlights

Saskatchewan

Highest in Canada, driven by severe storms, flooding, and ongoing reconstruction following the La Ronge and Denare Beach wildfires. Smaller homes experienced the largest increases due to concentrated demand on local resources.

Alberta

Jasper remains the highest-cost market nationally, reflecting continued wildfire rebuilding activity alongside sustained hail, flood, and rainfall repair demand in Calgary and Edmonton.

Quebec

Montréal continued to drive cost increases due to urban demand and ongoing repair activity from recent ice storm events. Smaller homes showed the strongest growth.

Northwest Territories and Yukon

Labour shortages and transportation costs remain key drivers, with higher diesel prices further increasing rebuilding costs in remote communities.

Ontario and British Columbia

Both matched the national average. In Ontario, rebuilding demand related to ice storms and flooding continues to support higher costs in Toronto, Ottawa, and St. Catharines. British Columbia's urban centres showed similar trends, with the impact of recent Okanagan wildfires expected to emerge in future data.

Nova Scotia

Remained below the national average due to limited catastrophic weather losses and lower overall demand for reconstruction resources.

New Brunswick and Prince Edward Island

Recorded the lowest increases nationally, benefiting from relatively stable rebuilding demand and fewer major weather-related loss events.

Key takeaway

Rebuilding costs continue to be driven by catastrophic weather events, labour shortages, elevated transportation costs, and ongoing reconstruction activity. Provinces experiencing repeated weather-related losses and rebuilding demand continue to see the strongest cost inflation, particularly in smaller residential properties.

YOY SF changes

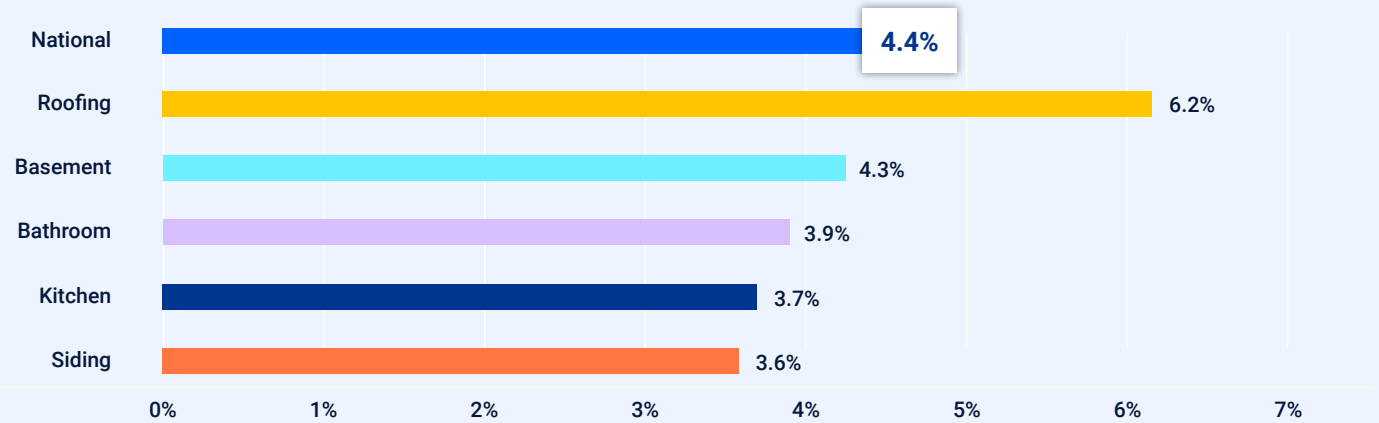
September 2025 vs September 2026



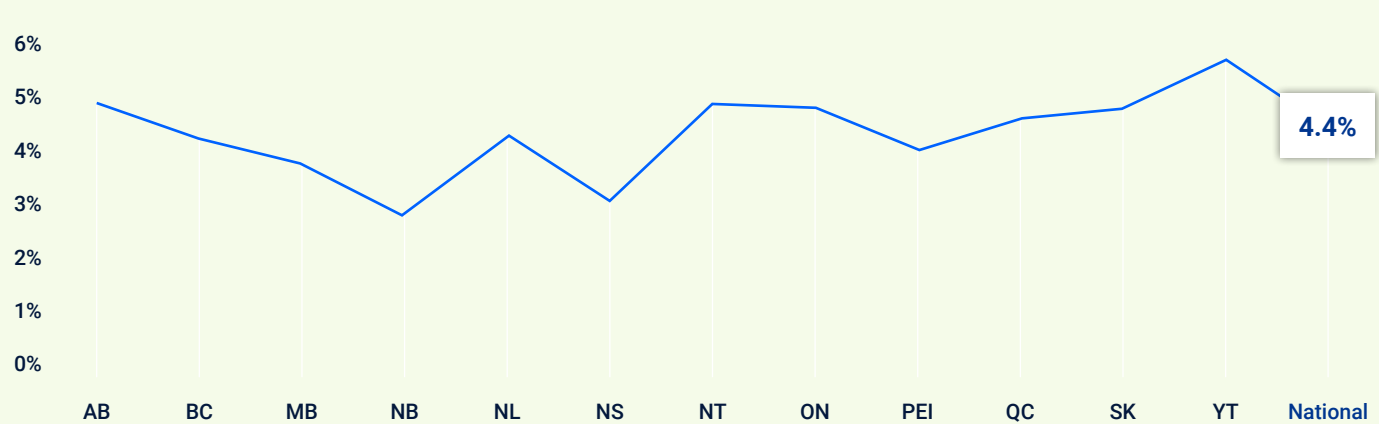
Component costs

Nationally, component costs increased 4.4% year-over-year between September 2025 and September 2026, with roofing leading all categories at 6.2%, followed by basements at 4.3%. Roofing was the highest-inflation component in every province and territory. Of the non-Territories, Alberta recorded the largest increase (4.9%), followed by Ontario and Saskatchewan (4.8%). Since May 2026, component costs have risen 2.9% nationally, again driven by roofing (+4.2%) and basement (+3.6%) costs.

YOY Component Cost Changes (by Component)



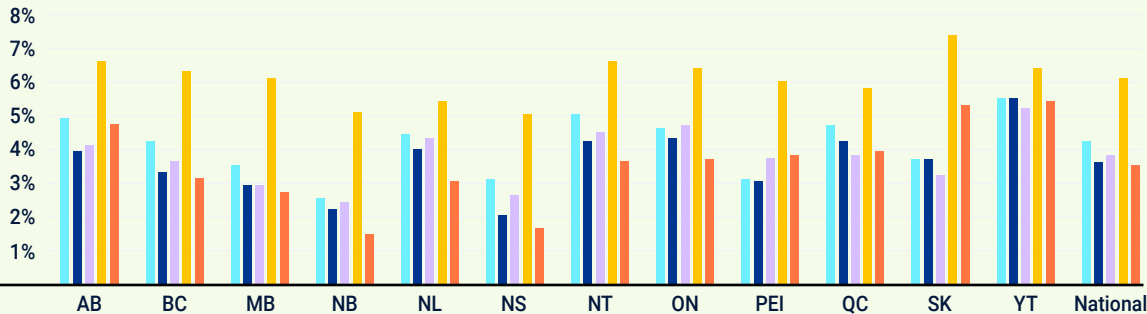
YOY Component Cost Increases (by Province)



Component cost highlights

Basement Kitchen Bathroom Roofing Alum. Siding

YOY Cost Change - All Components



Roofing

Roofing remains the largest driver of rebuilding cost inflation, increasing 6.2% nationally year-over-year and leading all provinces and territories, with Saskatchewan highest at 7.5%. Higher costs are being driven by hail-related repair demand, manufacturer price increases, and elevated diesel and transportation costs.

Basements

Basement costs accelerated to 4.3% year-over-year, up from 2.2% in May, with most growth occurring over the last four months. Rising fuel costs and widespread flood-related repair demand across Alberta, Saskatchewan, and Manitoba were the primary drivers.

Kitchens and bathrooms

Kitchen (3.7%) and bathroom (3.9%) costs rose steadily, increasing 2.1% since May. Ongoing labour shortages continue to support cost growth, while new tariffs on U.S. appliances may add pressure to kitchen costs in future reporting periods.

Aluminum siding

Aluminum siding increased 3.6% year-over-year, moderating from 4.2% in May. However, Manitoba and Saskatchewan experienced stronger growth due to hail-related repair activity, while transportation costs continued to drive higher prices in Yukon.

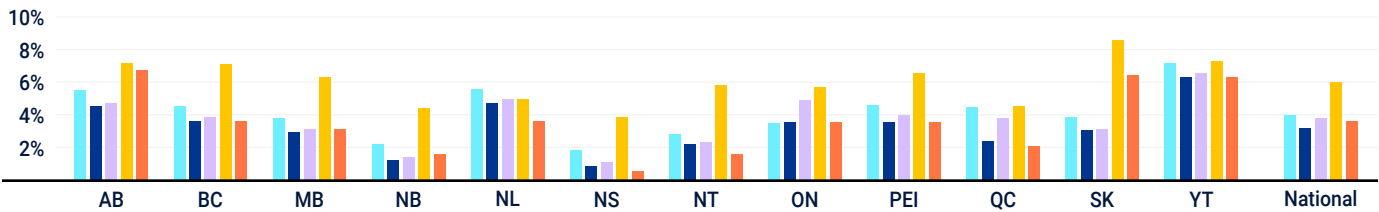
Key takeaway

The active 2026 storm season significantly impacted rebuilding costs, particularly for roofing and basement components, which experienced the strongest increases due to severe weather demand, higher fuel and material costs, and ongoing labour shortages. Rebuilding cost pressures are expected to remain elevated into 2027 as reconstruction activity continues.

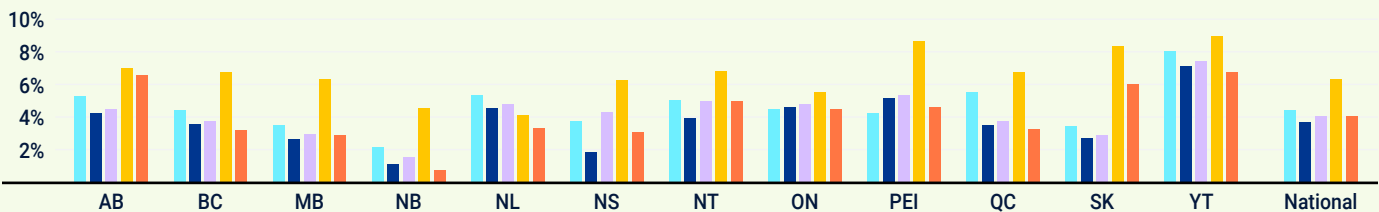
Component cost breakdowns by model

September 2025 vs September 2026

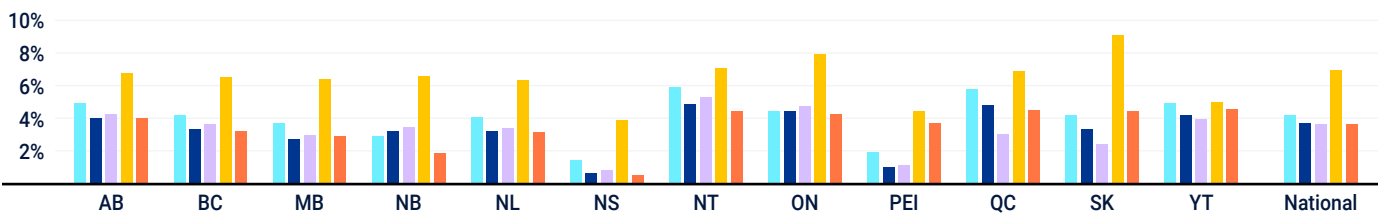
Component Costs - 1,000 SF



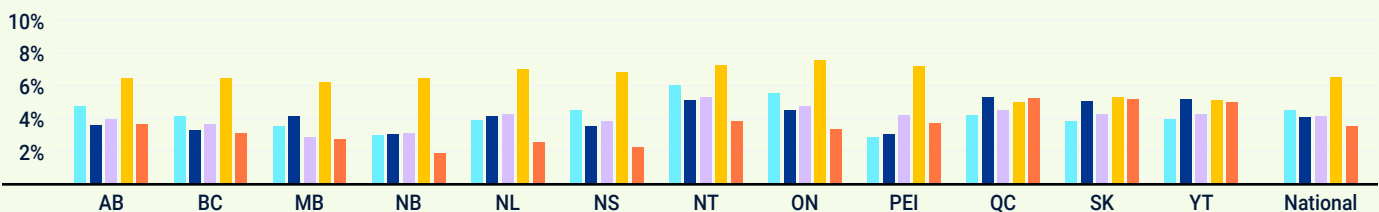
Component Costs - 2,000 SF



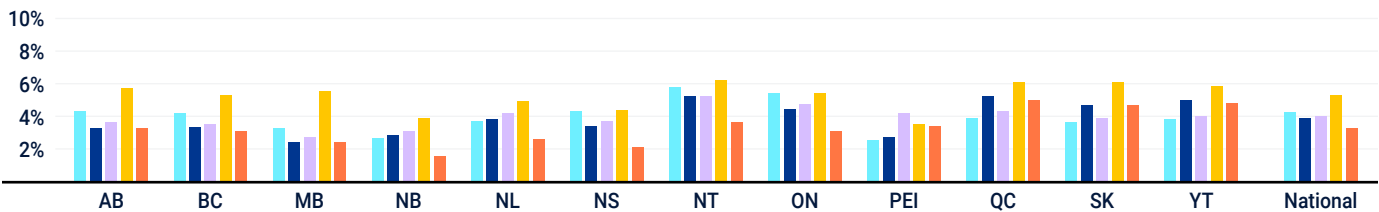
Component Costs - 3,000 SF



Component Costs - 4,000 SF



Component Costs - 5,000 SF

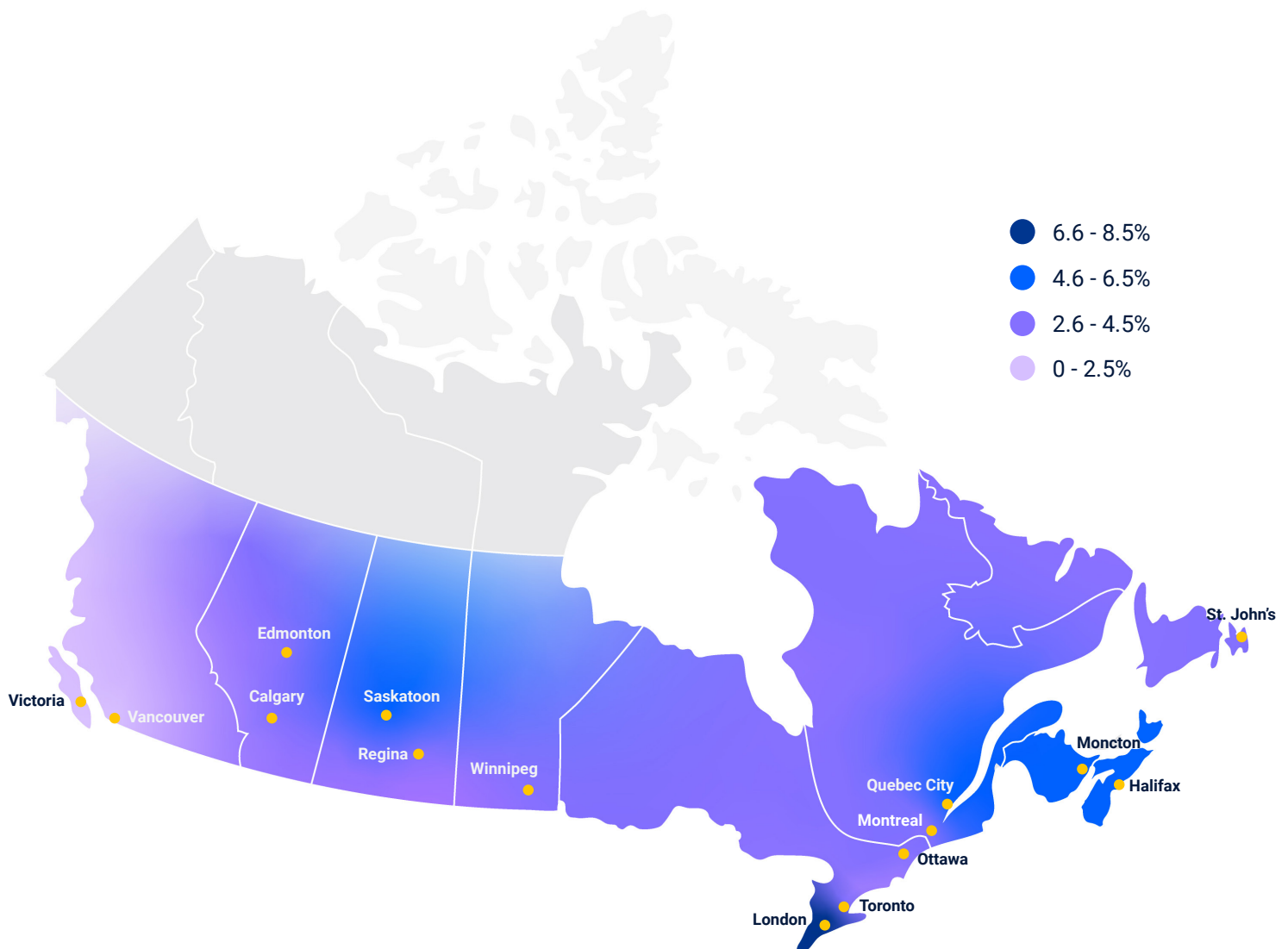


Basement Kitchen Bathroom Roofing Alum. siding

Commercial Building Construction Price Index YOY changes

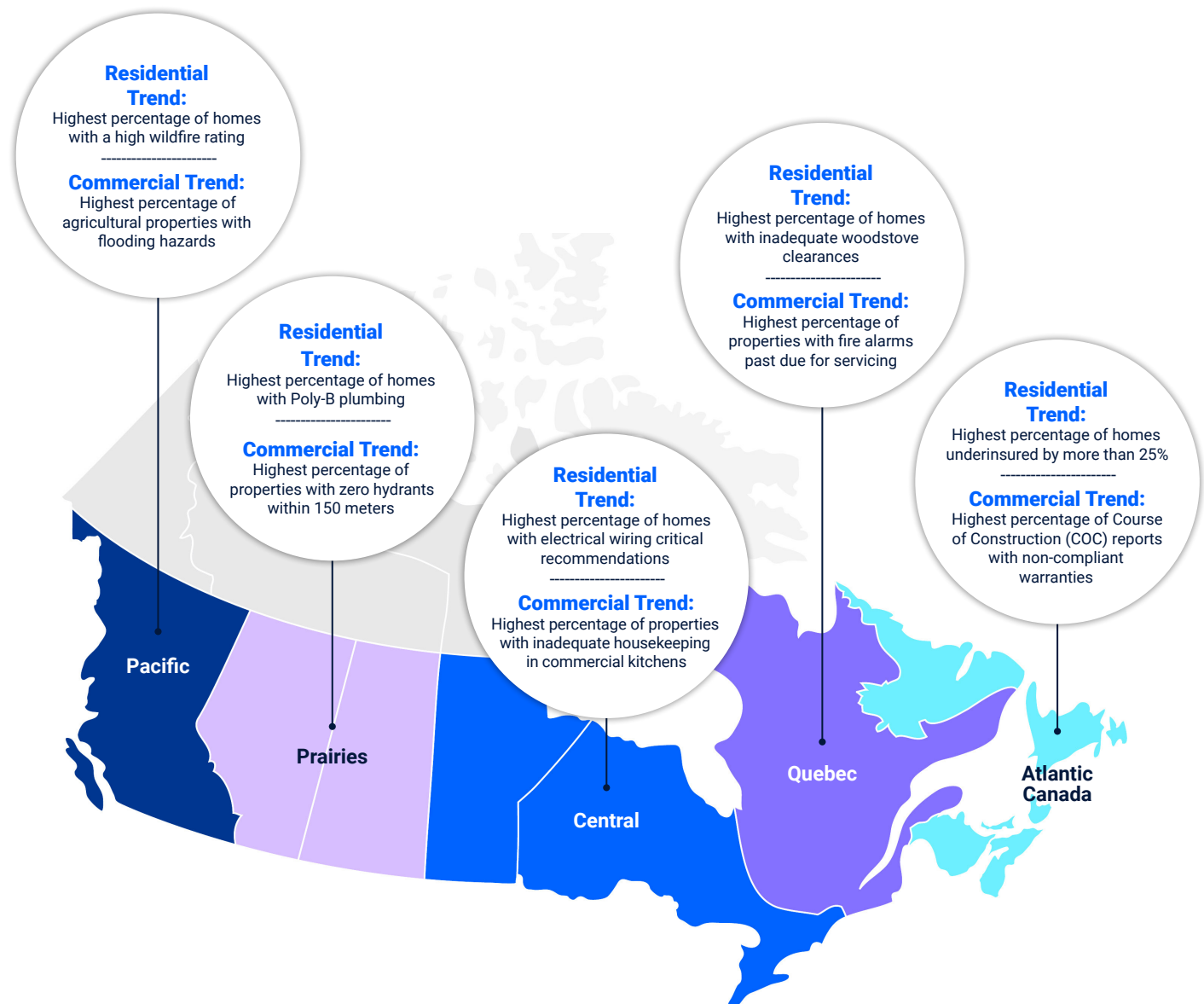
Q2 2025 vs Q2 2026

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.ⁱⁱⁱ 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 Q2 2025 vs Q2 2026 occurred in London, Ontario with a YOY increase of 8.2%, while Vancouver had the lowest at 1.3%. The YOY change for all 15 CMAs is 3.5%.



Canada's emerging risk landscape: A loss control perspective

Now more than ever, inspections and appraisals are essential to identifying hidden exposures and protecting your book of business. Across Canada, Verisk's Precise Services experts are uncovering trends daily—on the ground, in every region. Their insights help pinpoint premium-impacting changes and emerging risks, ensuring you stay ahead of loss. This regional snapshot of 2026 trends reveals where vulnerabilities are surfacing, so you can take action, mitigate risk, and make confident underwriting decisions.



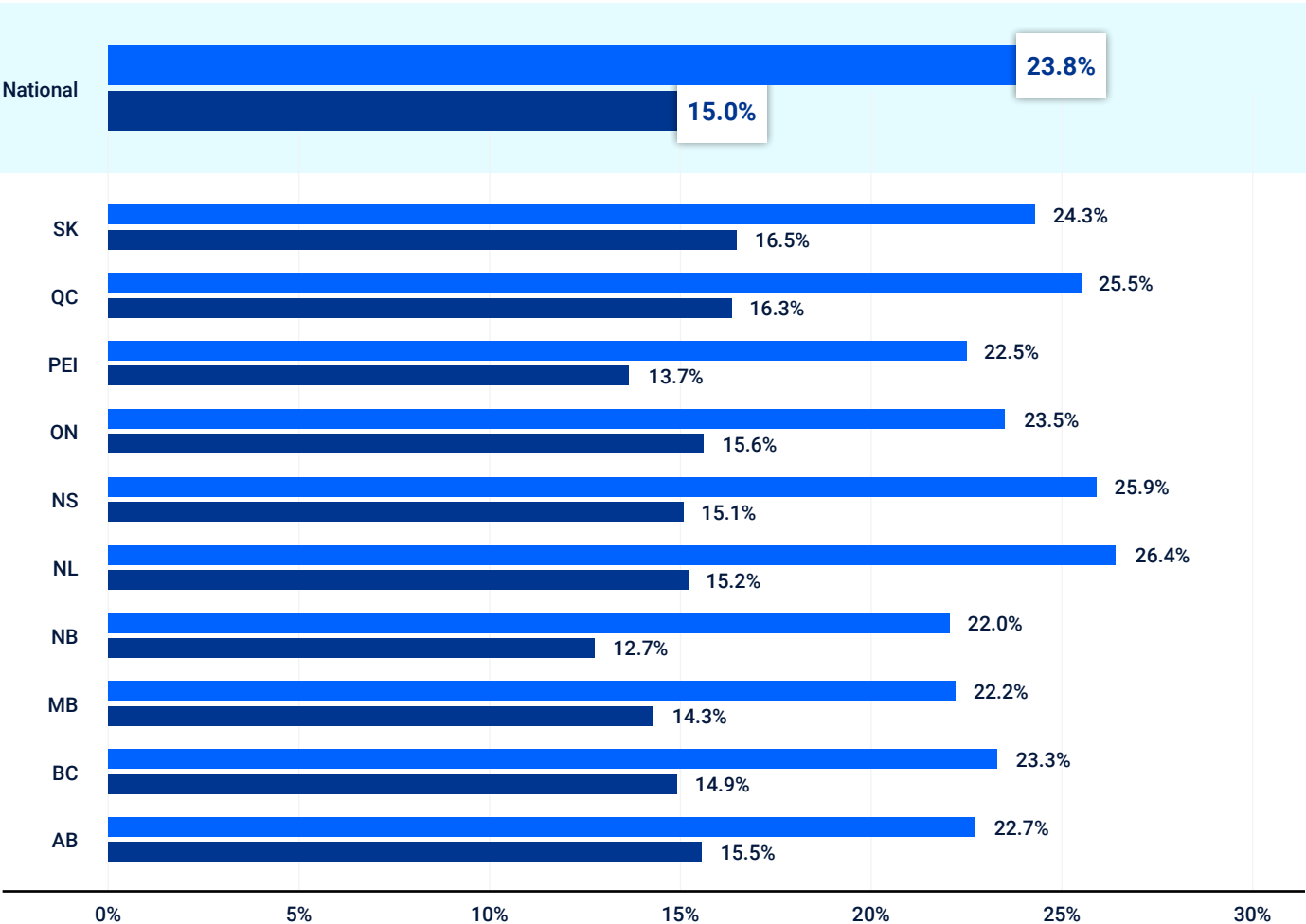
Rising rebuild costs increase underinsurance risk

Residential rebuilding costs continue to rise across Canada, increasing 23.8% nationally over the past five years from a September 2021 baseline and 15.0% in the past three years from a September 2023 baseline. As catastrophic weather events become more frequent and severe, rebuilding cost inflation continues to accelerate, widening the gap between current replacement costs and outdated property valuations.

Storms, floods, hail, and wildfires are driving sustained pressure on labour, materials, and local rebuilding capacity across the country. Properties valued using outdated or incomplete data may no longer reflect today's true cost to rebuild, increasing the risk of underinsurance when losses occur and creating premium leakage across portfolios. In an era of escalating catastrophe activity, maintaining current replacement cost valuations is critical to ensuring coverage keeps pace with rebuilding realities.

Residential SQ FT Rebuild Change

■ 5 years ■ 3 years



The true test of valuation accuracy

2026 Residential Total Valuation Analysis

The ultimate measure of valuation accuracy is how closely it aligns with actual total loss outcomes. Verisk Canada's iClarify™ valuations are continuously validated through localized construction cost research and industry insights to ensure accuracy and credibility. In a 2026 analysis of 30 residential total valuations across Canada, iClarify Valuations (iC) demonstrated an average variance of just -1% compared to Contractor Estimates (CE), reinforcing the reliability of iClarify as a trusted source for reconstruction cost valuations.

Province	Number of Storeys	Living Area (sq.ft.) (not including basement)	Finished Basement	Garage Type	iClarify Valuation (iC)	Contractor Estimate (CE)	iC/CE
AB	1	971	Yes	None	\$363,678	\$337,482	8%
AB	2	2,789	Yes	Attached 2/Car	\$1,113,446	\$1,143,379	-3%
AB	1	925	Yes	None	\$393,689	\$347,732	13%
AB	2	1,772	Yes	Attached 2/Car	\$752,994	\$736,699	2%
BC	2	2,312	No	Built-in 2/Car	\$1,095,911	1,067,325	3%
BC	2	1,783	Yes	None	\$880,450	\$948,963	-7%
MB	1.5	1,500	Yes	None	\$531,105	\$462,446	15%
MB	2	2,007	Yes	Attached 2/Car	\$866,783	\$812,053	7%
NB	2	1,710	Yes	Detached 1/Car	\$481,673	\$502,548	-4%
NB	Bi-Level	2,142	No	None	\$415,735	\$436,294	-5%
NB	1.5	1,150	No	None	\$284,096	\$309,251	-8%
NL	2.5	2,150	Yes	None	\$573,061	\$586,708	-2%
NL	2	2,048	Yes	Built-in 2/Car	\$544,010	\$614,643	-11%
NS	2	1,860	No	None	\$530,100	\$585,613	-9%
NS	1	1,236	Yes	None	\$387,016	\$412,928	-6%
NS	1	1,904	No	None	\$461,987	\$515,318	-10%
ON	Tri-Level	2,050	Yes	Built-in 2/Car	\$893,185	\$846,140	6%
ON	2	1,350	Yes	None	\$632,583	\$617,504	2%
ON	2.5	2,300	Yes	None	\$1,630,585	\$1,629,279	0%
ON	2	1,507	Yes	None	\$850,325	\$850,358	0%
PE	2	2,340	No	None	\$768,620	\$856,250	-10%
PE	Bi-Level	2,500	No	Built-in 2/Car	\$613,825	\$575,369	7%
QC	2	1,900	Yes	Built-in 1/Car	\$685,653	\$676,065	1%
QC	Tri-Level	1,430	No	None	\$469,655	\$440,690	7%
QC	1.5	1,332	No	None	\$434,498	\$421,546	3%
QC	2	3,158	No	Built-in 2/Car	\$846,843	\$916,900	-8%
SK	Tri-Level	2,247	Yes	None	\$733,533	\$664,755	10%
SK	2	2,468	Yes	Attached 2/Car	\$983,276	\$934,157	5%
SK	2	2,134	Yes	Attached 2/Car	\$785,824	\$868,656	-10%
SK	1	834	Yes	None	\$324,593	\$350,997	-8%
National Variance							-1%

About Verisk Canada’s 86 Centres of Influence

Data is collected from 300 licensed contractors across 86 cities in Canada identified as “Centres of Influence.” This network generates more than 7,750 data points annually, which are used to validate the accuracy and regional relevance of iClarify replacement costs. Local taxes, overhead and profit, productivity, debris removal, general conditions, and other essential costs are fully 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 Rivières

Atlantic

Bathurst
Corner Brook
Edmunston
Fredericton
Grand Falls
Halifax

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

Northern Canada

Yellowknife
Whitehorse



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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. Through 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 Statistics Canada. Table 18-10-0001-01
Monthly average retail prices for gasoline and fuel oil, by geography
(<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000101>)

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

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

