



# Reconstruction Cost Analysis

**Q1 2026: Canada**

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



**Montreal, Quebec**  
1 of 86 Centres of Influence

# Key Trends in Canada

Q1 2026



## Tariffs

We continue to monitor tariff related impacts on residential rebuild costs. Current estimates indicate a less than 1% effect across our five residential models. This is consistent with our September 2025 analysis, which projected an uplift of under 2%. While tariff activity remains fluid, the overall impact on core residential rebuild costs continues to be minimal and stable. We will reassess as trade conditions evolve.



## CAT Events

The year experienced fewer large scale catastrophe (CAT) events compared to 2024. Although wildfires in the West, severe thunderstorms in Central and Eastern Ontario, an ice storm in Ontario, and hailstorms in Alberta occurred, none generated widespread community damage or large, prolonged reconstruction surges. As a result, the typical CAT driven pressures—strained supply chains, elevated material costs, and limited labour availability—were muted in 2025.



## Labour Market

Long-term labour shortages remain a concern, largely due to retirement-driven attrition. However, with no major CAT events or large construction initiatives in 2025, the direct impact on insurance-related rebuilds has been moderate. Key considerations include:

### Productivity Impacts

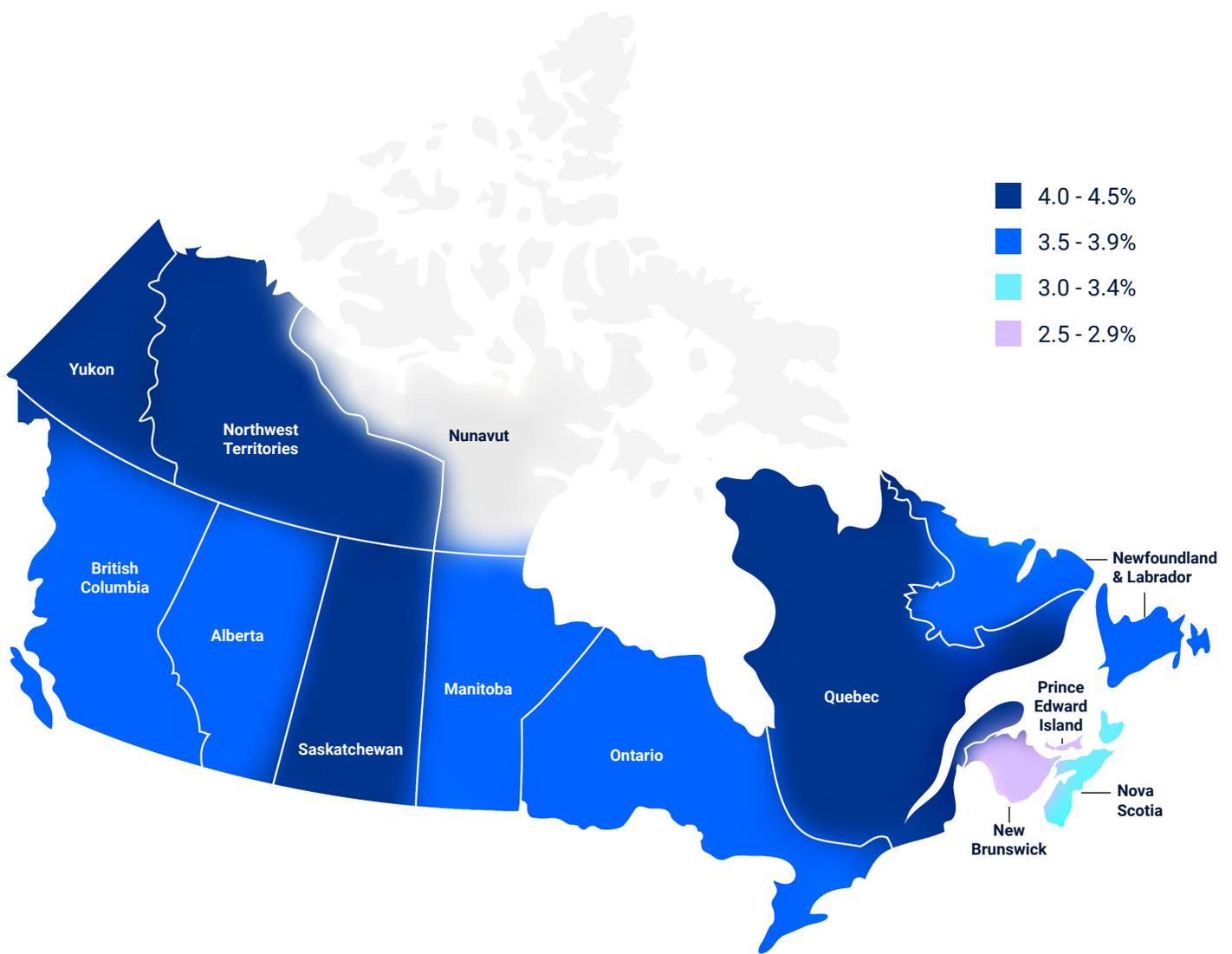
Ongoing labour shortages are extending rebuild timelines, driving up additional living expenses, storage, temporary repairs, and re-inspection needs—ultimately increasing indemnity and expense leakage. These operational impacts are outside the scope of this report.

### Quality Risks

Tight labour capacity can result in less-experienced crews taking on complex rebuilds, increasing the likelihood of rushed work and reduced site oversight. Resulting deficiencies may only surface years later. These impacts are also outside the scope of this report.

### Wage Inflation

Scarcity of skilled workers continues to drive higher wages and labour premiums—including overtime, shift work, travel time, and per diems. These pressures are reflected in our data through seasonal CAT-related spikes and broader year-over-year cost inflation.



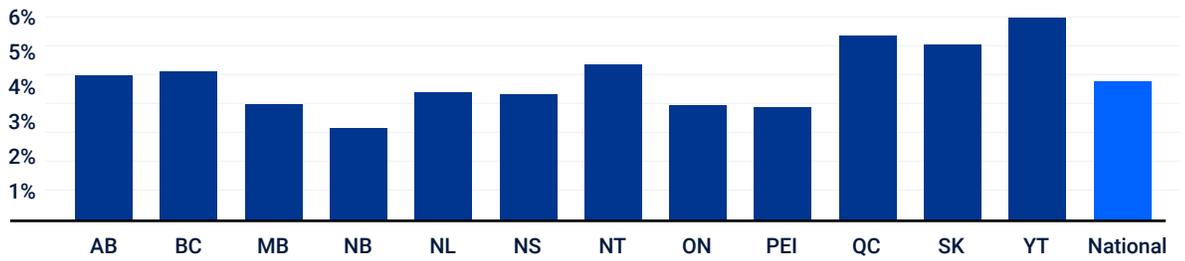
# Residential Reconstruction Costs

Quebec and Saskatchewan recorded the highest year-over-year (YOY) increases in square-foot costs at 4.4%. New Brunswick and Prince Edward Island showed the lowest growth, at 2.6% and 2.7% respectively. Among building sizes, the 2,000-square-foot model saw the largest YOY increase at 4.4%, while the 5,000-square-foot model rose the least at 2.4%. Overall, this quarter's results indicate a stabilization of inflationary pressures, driven by reduced impacts from major external events.

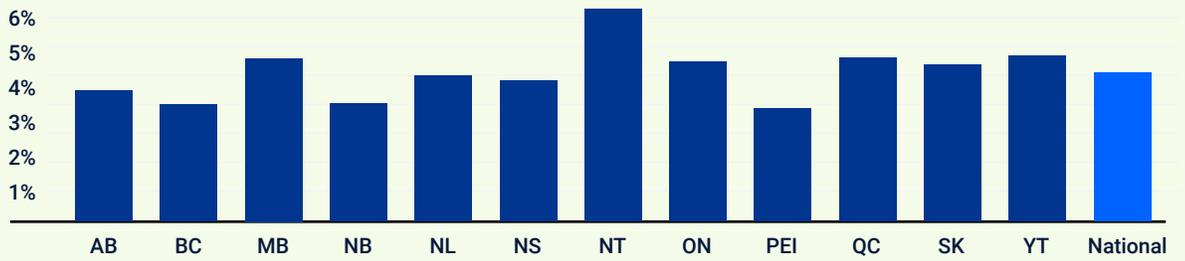
# YOY SF Changes

January 2025 vs January 2026

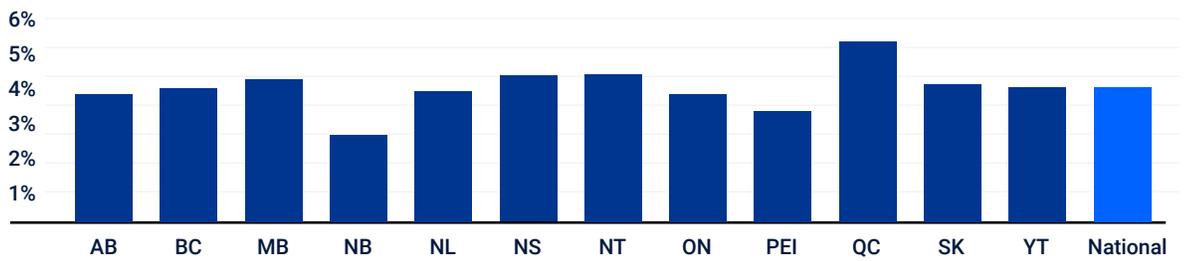
## 1,000 SF



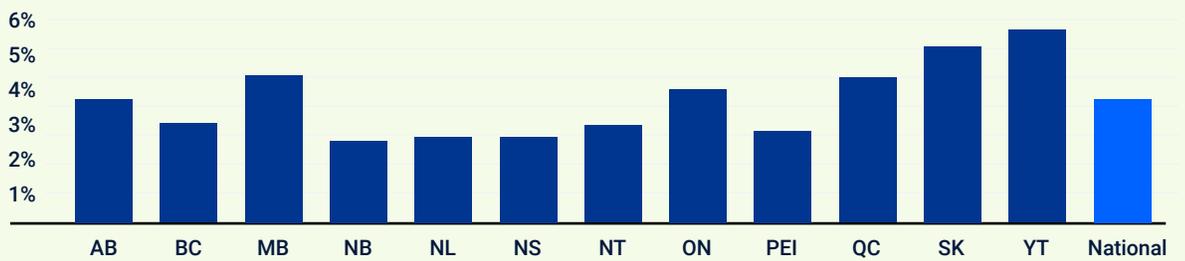
## 2,000 SF



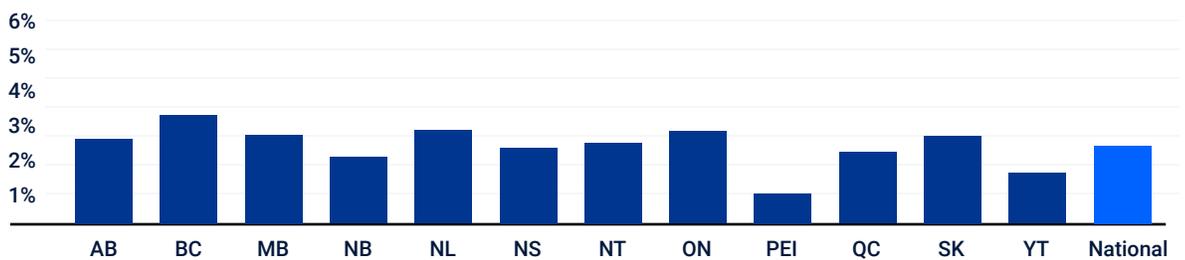
## 3,000 SF



## 4,000 SF



## 5,000 SF



# Component Costs

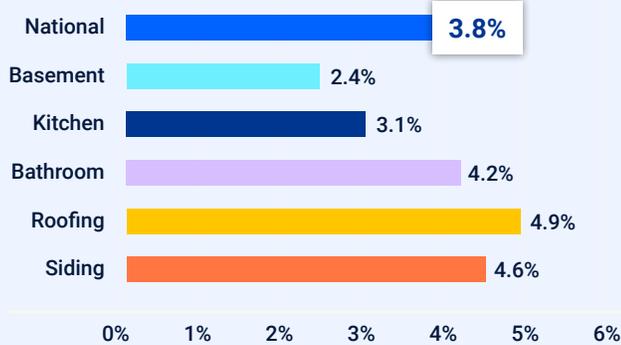
The national year-over-year (YOY) increase in component costs is 3.8%, with roofing (4.9%) and aluminum siding (4.6%) showing the strongest growth. British Columbia leads all provinces with a 4.7% YOY increase, followed by Ontario at 4.4%.

The following graphs illustrate YOY results by Province, Component, and Model for January 2025 vs January 2026.

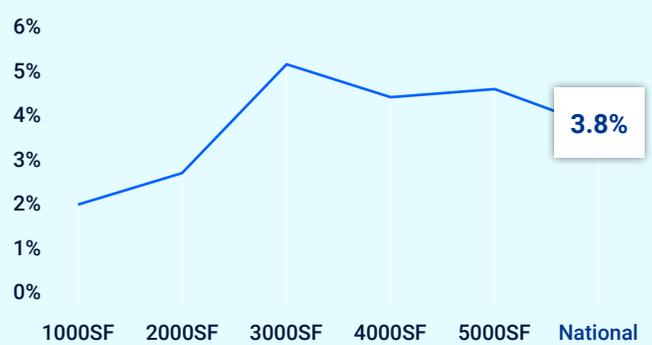
## YOY Component Cost Increases (by Province)



## YOY Component Cost changes (by Component)



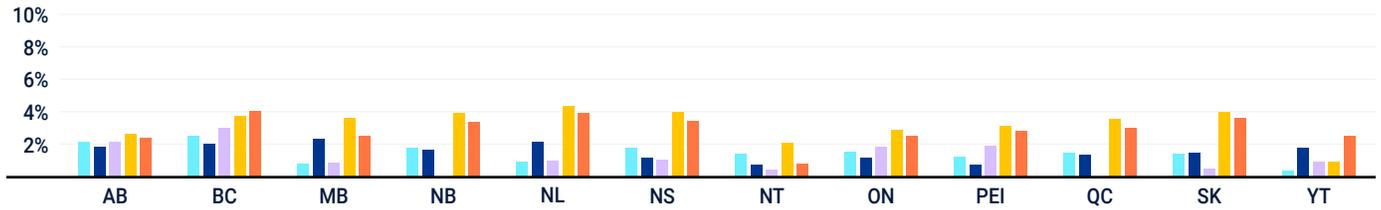
## YOY Component Cost Change (by Model)



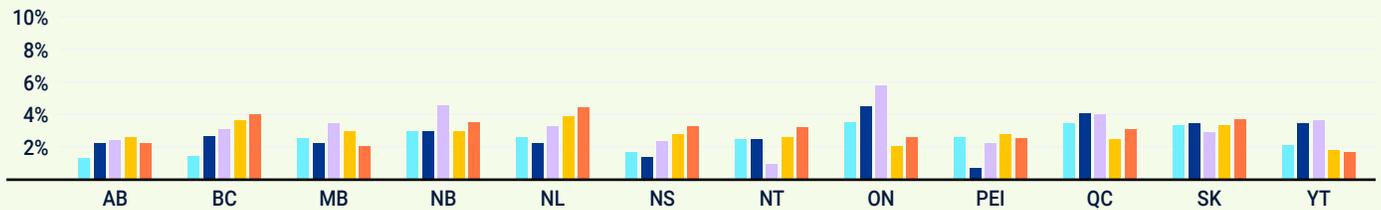
# Component Cost Breakdowns by Model

## January 2025 vs January 2026

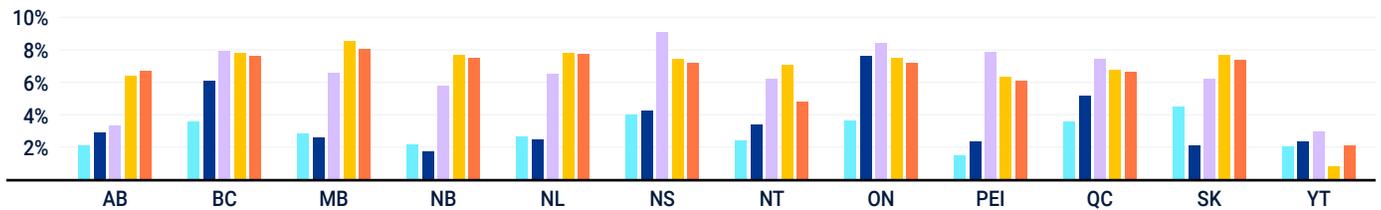
Component Costs - 1,000 SF



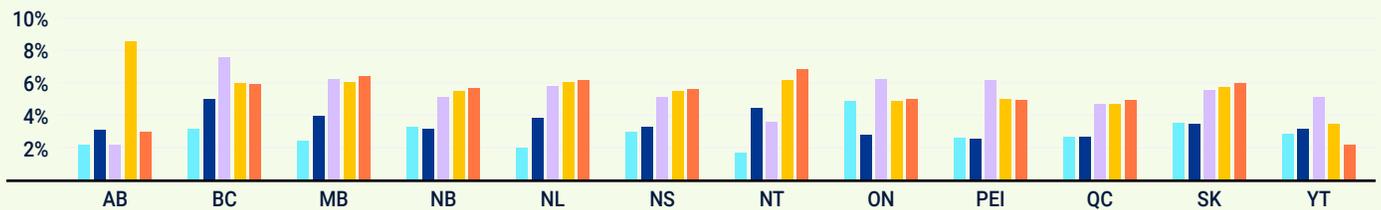
Component Costs - 2,000 SF



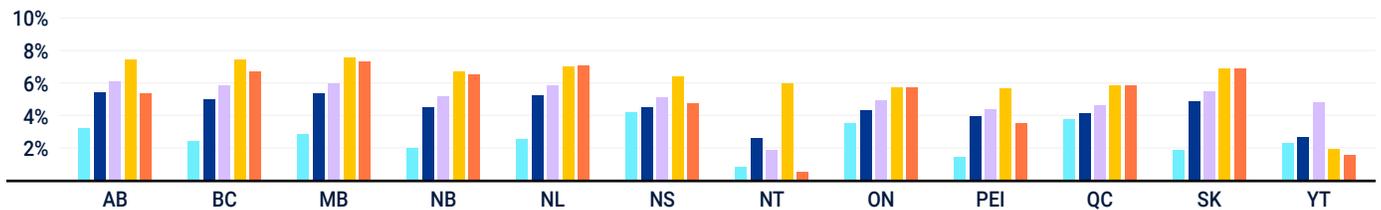
Component Costs - 3,000 SF



Component Costs - 4,000 SF



Component Costs - 5,000 SF

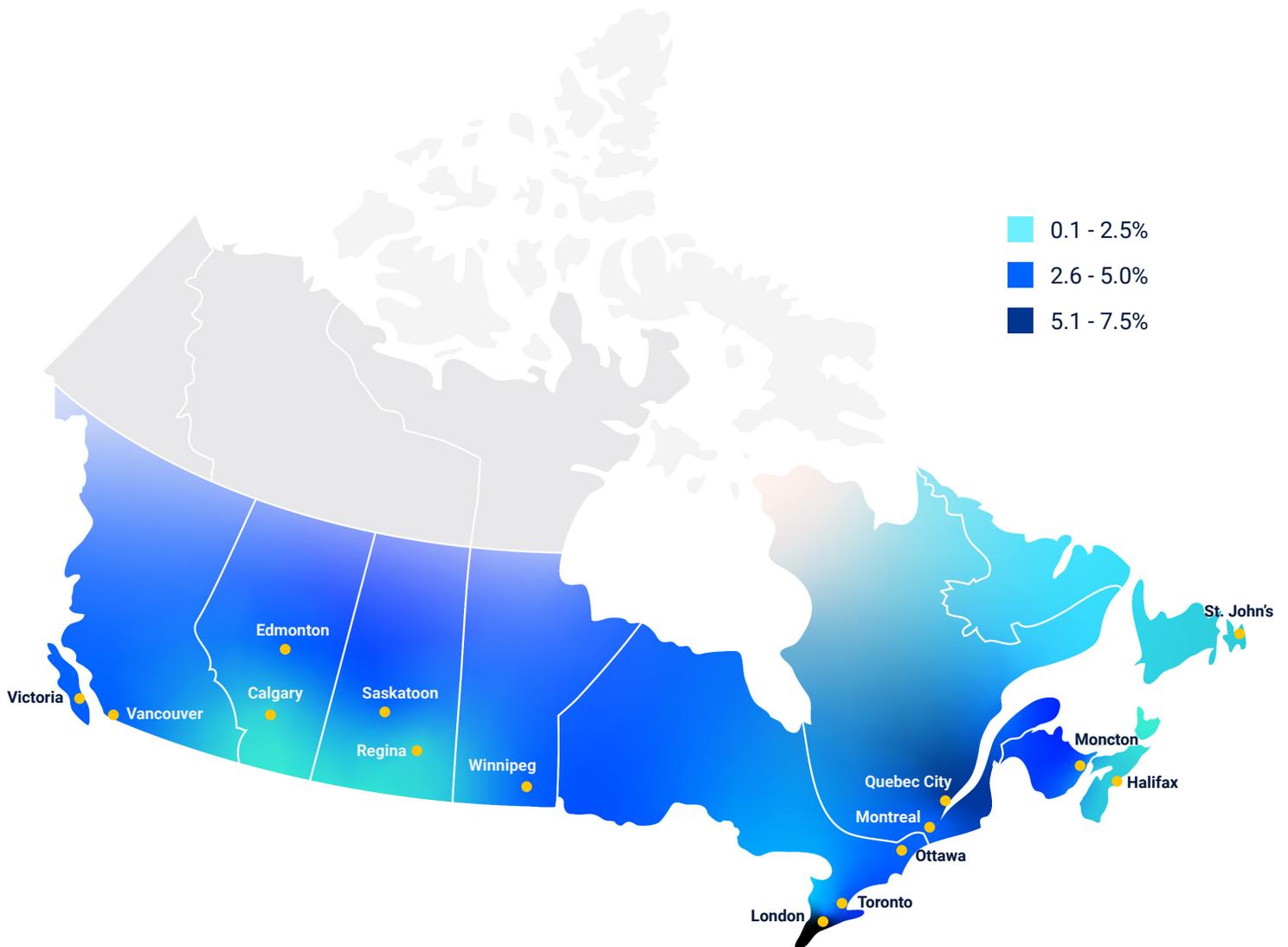


■ Basement    
 ■ Kitchen    
 ■ Bathroom    
 ■ Roofing    
 ■ Alum. Siding

# Commercial Building Construction Price Index YOY Changes

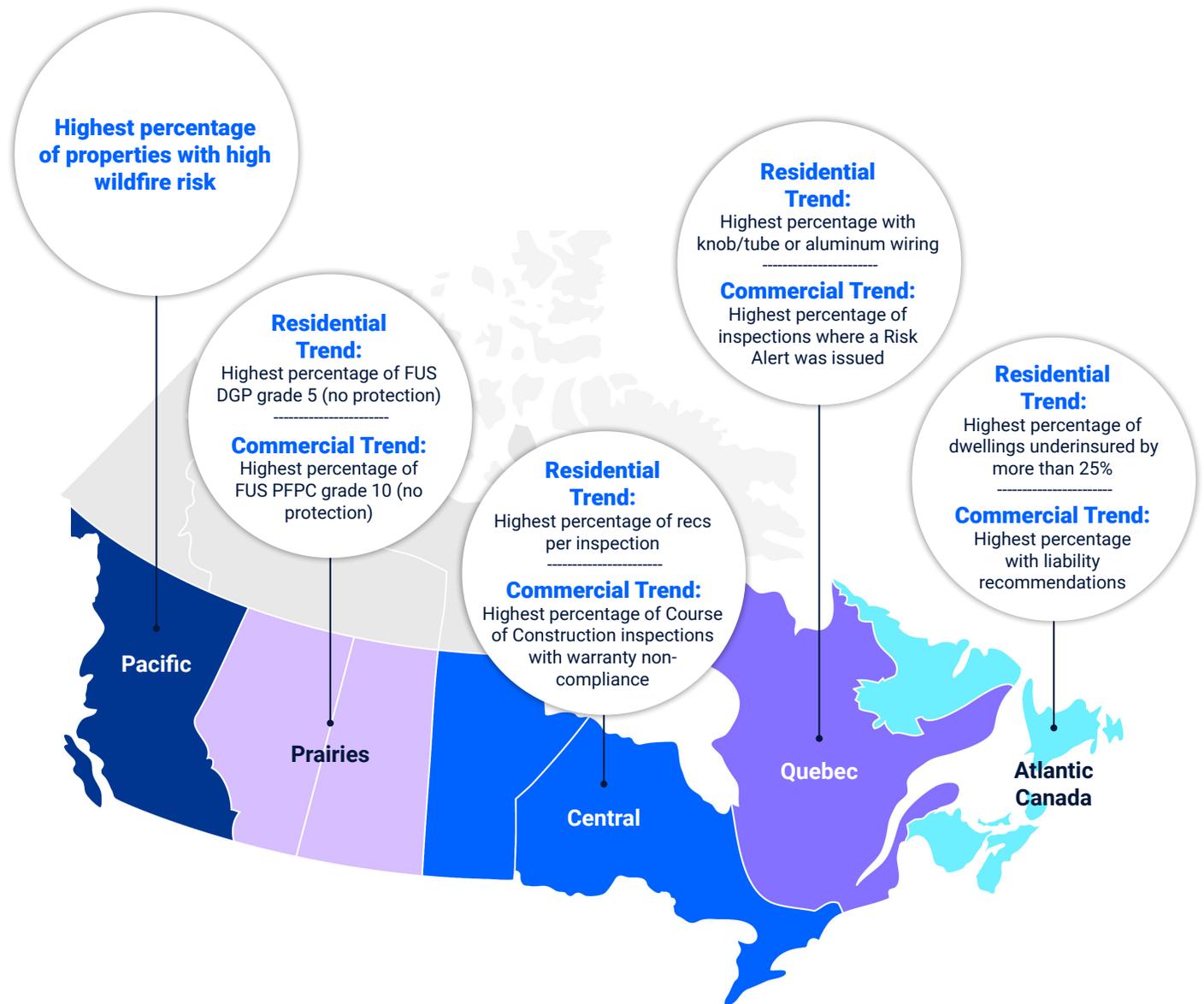
Q3 2024 vs Q3 2025

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.<sup>i</sup> 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.<sup>ii</sup> 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 2025 vs Q3 2024 occurred in London, Ontario with a YOY increase of 8.1%, while Halifax had the lowest at 1.9%. The YOY change for all 15 CMAs is 4.2%.



# Canada's Emerging Risk Landscape: A Loss Control Perspective

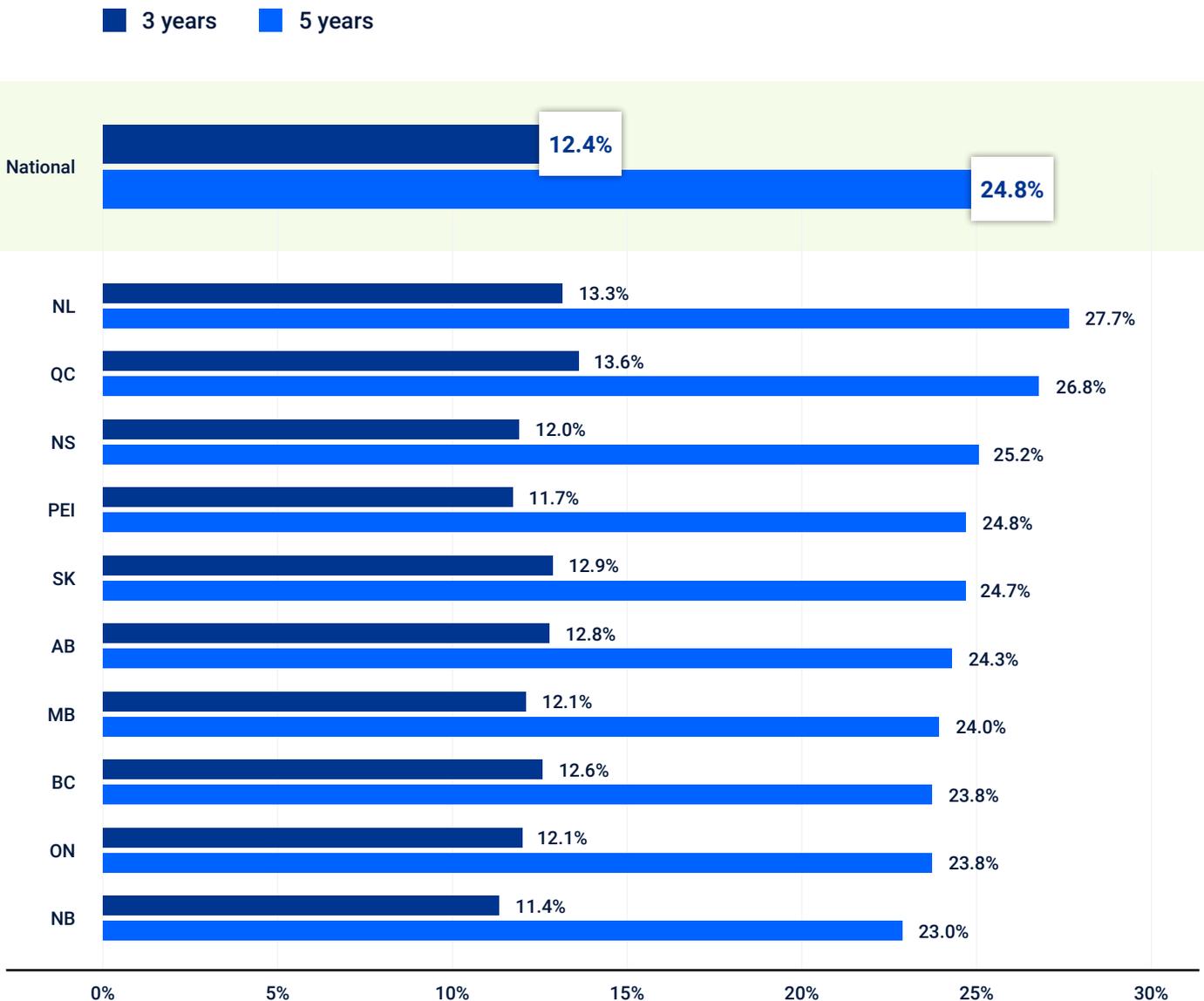
Now more than ever, inspections and appraisals are essential to identifying hidden exposures and protecting your book of business. Across Canada, Verisk's Precise Services experts are uncovering trends daily—on the ground, in every region. Their insights help pinpoint premium-impacting changes and emerging risks, ensuring you stay ahead of loss. This regional snapshot of Q4 2025 trends reveals where vulnerabilities are surfacing, so you can take action, mitigate risk, and make confident underwriting decisions.



# 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 24.8% in five years from a base year January 2021 and a 12.4% rise in the past three years (base year January 2023). 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



# Did you know?

Verisk Canada's iClarify valuations are powered by Canada's most comprehensive property intelligence ecosystem—continuously validated through real-time dialogue, localized research, and field-level insights. It's also important to understand that replacement cost and market value are not the same. iClarify focuses on replacement cost—what it takes to rebuild a home today with current materials, labour, and local conditions—not what it would sell for on the market.

## Here's What Fuels the Accuracy Behind iClarify Replacement Costs



### Nationwide Contractor Intelligence

Insights from 86 Centres of Influence provide localized material and labour cost data rooted in real-world reconstruction conditions.



### 30,000+ Daily User Updates

Thousands of daily inputs keep iClarify current, accurate, and reflective of real-time property information.



### Ongoing Total Loss Research

Regular studies using actual Canadian total loss data ensure valuations remain credible and within industry benchmarks.



### Constant Model Refinement

Valuation models are continuously updated using localized research to stay aligned with current reconstruction market conditions.



### Canada's Largest Permit Data Repository

National permit data reveals what has changed at the property level—right down to the rooftop.



### On-the-Ground Intelligence

120+ Precise Services experts contribute boots-on-the-ground insights across Canada, adding another layer of regional accuracy.



# 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 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



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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](https://optaintel.ca)

For inquiries related to this report, contact [SolutionSupport@verisk.com](mailto:SolutionSupport@verisk.com)

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

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

