



UK & Ireland

# Quarterly Property Report

Executive Insights

June 2026



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# Executive summary

UK construction and property repair costs have entered a phase of structural volatility, shifting from pandemic-driven inflation to a permanently energy-sensitive pricing environment. Costs now rise in “stair-step” increases, triggered by geopolitics, regulation, and energy market resets. The emerging secondary energy crisis in 2026 is accelerating this trend, with significant implications for insurers, repair programmes, and asset budgets through H2 2026 and beyond.

Between 2020 and 2024, repeated cost shocks across materials, labour, logistics, and energy reset pricing to a higher base. Rather than normalising, each disruption has set a new floor - making volatility structural and reducing the reliability of historical cost benchmarks.

In 2026, rising energy costs - driven by geopolitical disruption and potential price cap increases - are expected to flow quickly into construction supply chains. This will particularly affect energy-intensive materials such as concrete, cement, brick, and plasterboard, with price increases likely in Q3-Q4. Construction pricing now moves in discrete steps, triggered by energy shifts, fuel surcharges, regulatory changes, and geopolitical events.

Success in 2026 depends on anticipating these shifts and managing cost volatility proactively rather than reacting after impacts materialise.

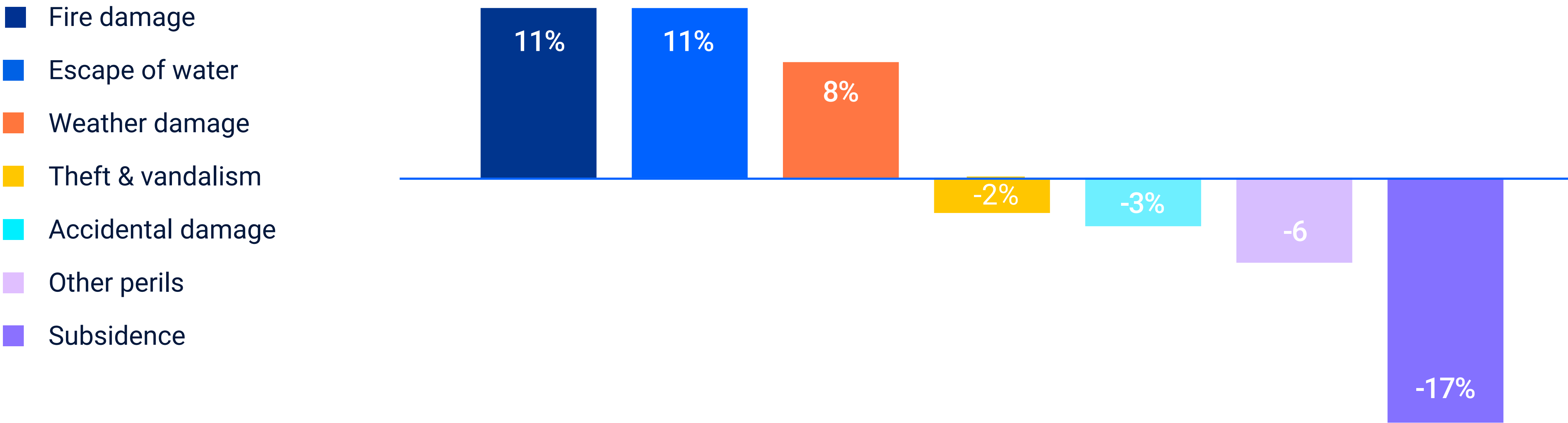
## Key Trends

- Q1 2026: Modest growth across perils (no single driver), shifting from Q4’s weather spike.
- Escape of Water: +11% QoQ; 46% (dominant).
- Weather: +7.6%; 29% (stabilising).
- Other perils: Flat.
- Overall: Water-led portfolio; weather normalising; mix returning to balance.

# Claims trends

Overall claim volumes have increased modestly compared to the previous quarter, with growth spread more evenly across a small number of perils rather than being driven by a single event. This represents a shift from the prior quarter, when volumes were heavily influenced by a surge in weather-related claims.

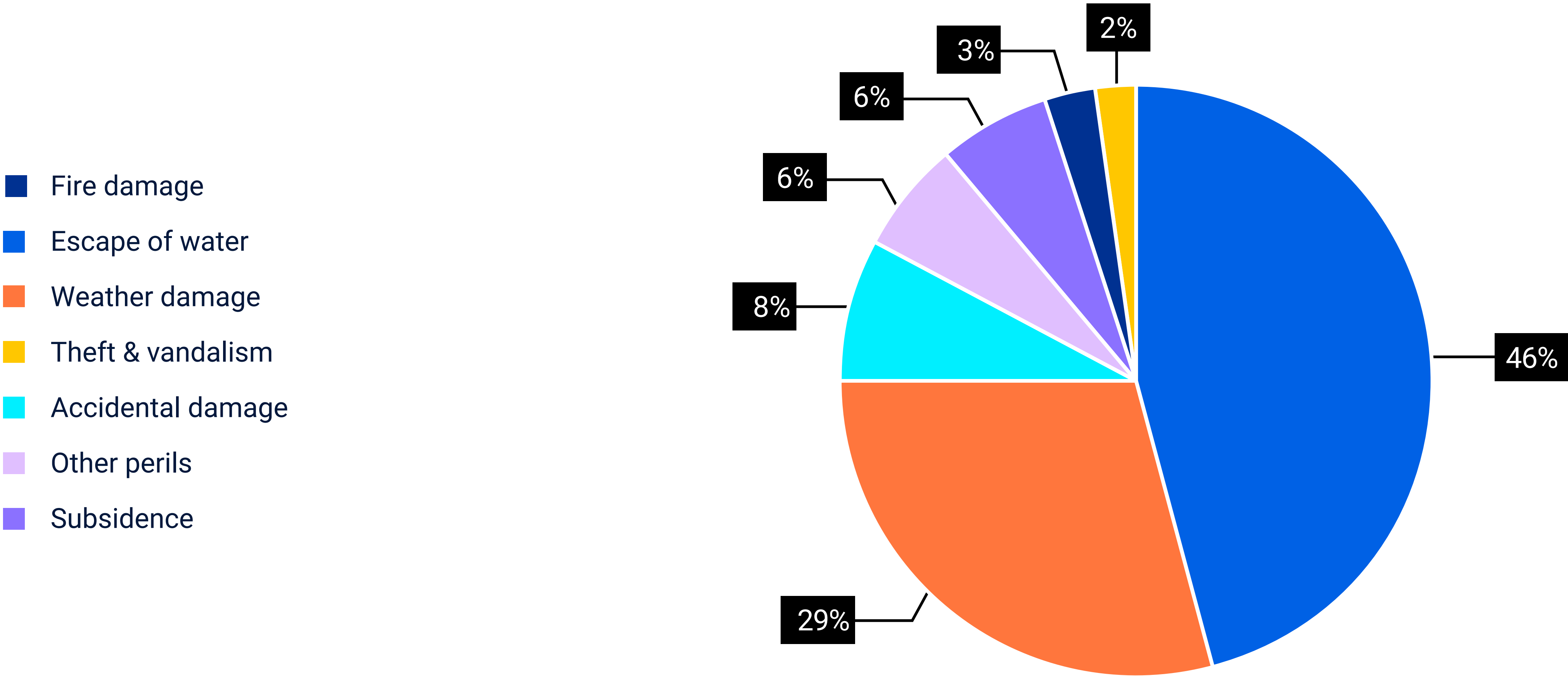
## Quarter-on-quarter volume difference by peril | Q4 2025-Q1 2026



Escape of Water recorded the most notable increase, rising by 11% quarter-on-quarter and remaining the dominant peril overall.

Weather Damage volumes increased by 7.6%, a much more moderate rise than the significant spike seen in the prior quarter.

## Volume by peril | Q1 2026



The uplift in Escape of Water has increased its share of total claims, with the peril now accounting for 46% of all claims, up from 43% in the previous period.

Weather Damage remains the second-largest peril by volume, representing 29% of total claims, indicating sustained but stabilising activity following last quarter's storm-driven surge.

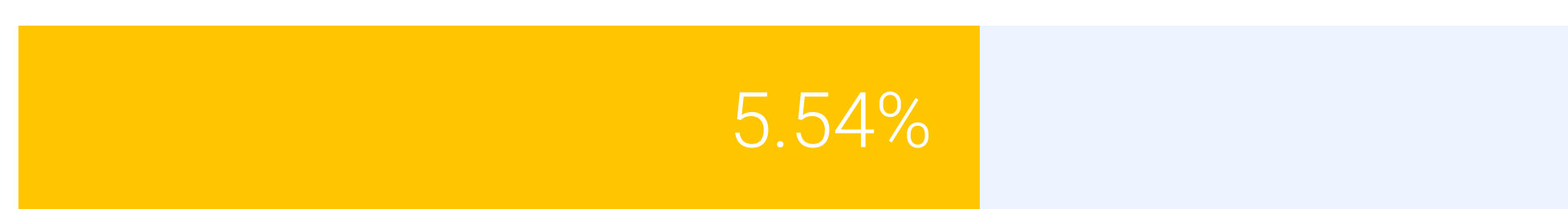
# Pricing Data Services

## Labour and material costs | Q1 2025 v. Q1 2026

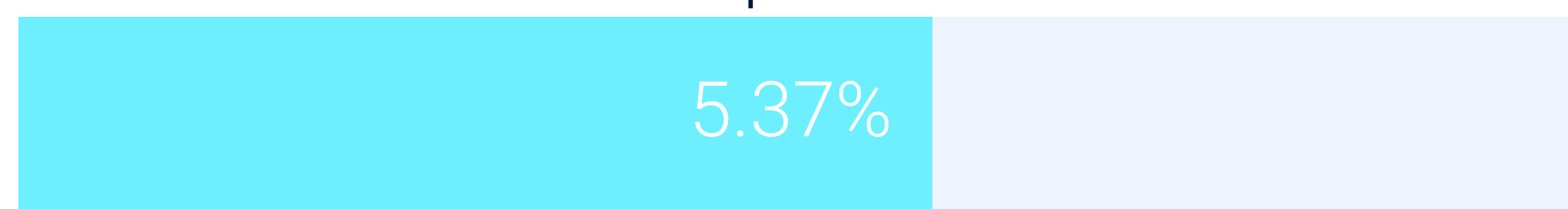
Plasterer & dry lining installer



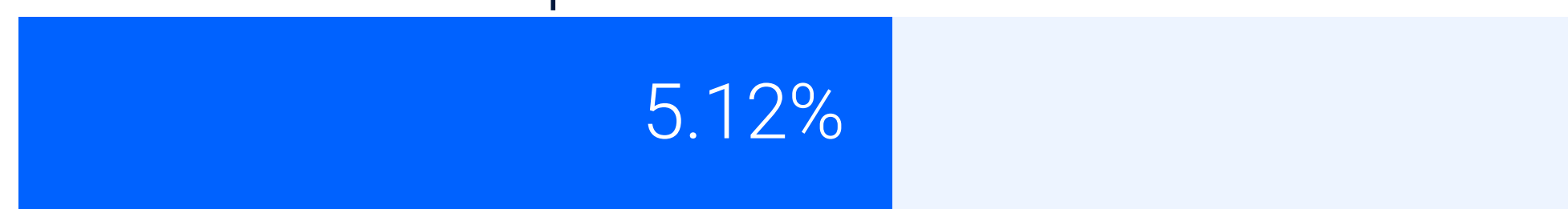
Cleaner



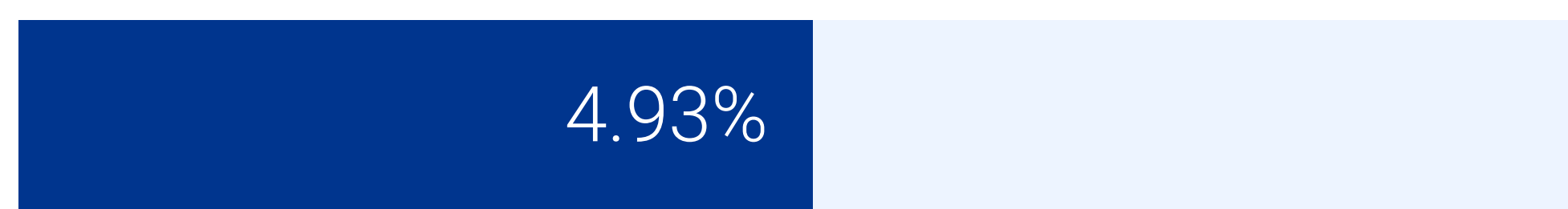
Hazardous material operative



External render plasterer



General labourer



### Labour cost - top 5 fluctuations

Year-on-year wage movements between Q1 2025 and Q1 2026 show a broadly upward pattern across most trades, with the strongest growth concentrated in interior, enabling, and compliance-linked roles, while a smaller group of occupations recorded declines.

Overall, the distribution suggests that wage pressure remains present across much of the construction labour market, although it is uneven by trade.



### Materials cost - top 5 fluctuations

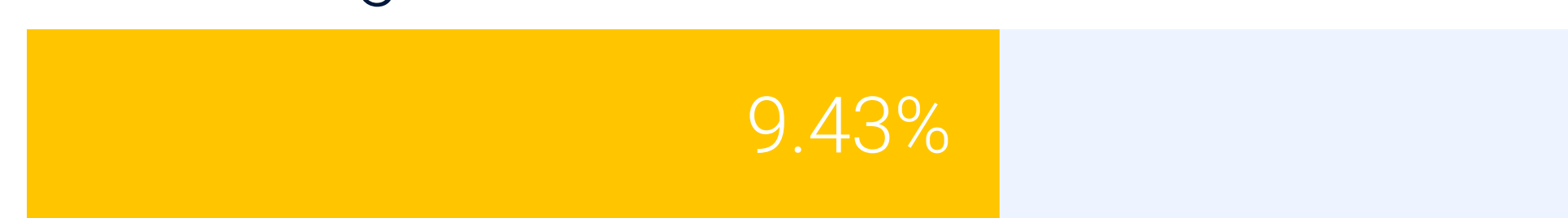
Year-on-year movements between Q1 2025 and Q1 2026 show a highly uneven pattern across material categories, with strong inflation concentrated in a handful of products, while several core build items continued to correct downward.

Overall, the profile suggests that cost pressure remains most pronounced in maintenance and finishing-related lines, while structural and board-based materials are still experiencing deflationary adjustment.

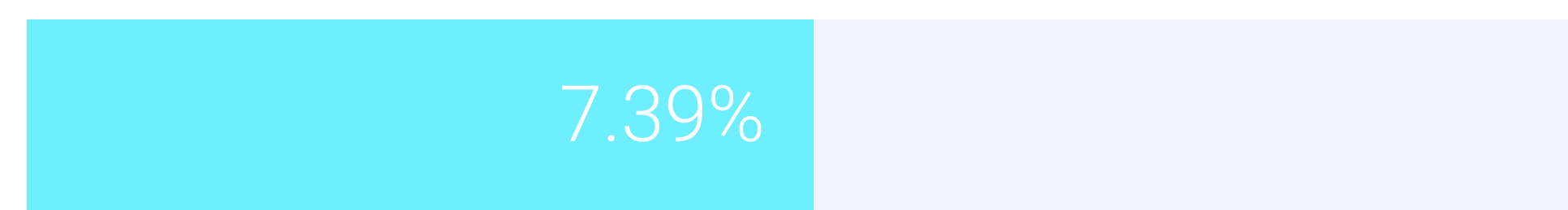
Cleaning products



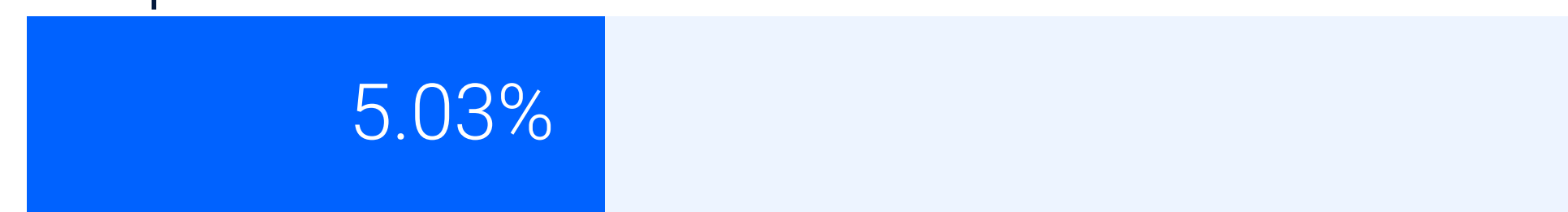
Electrical goods



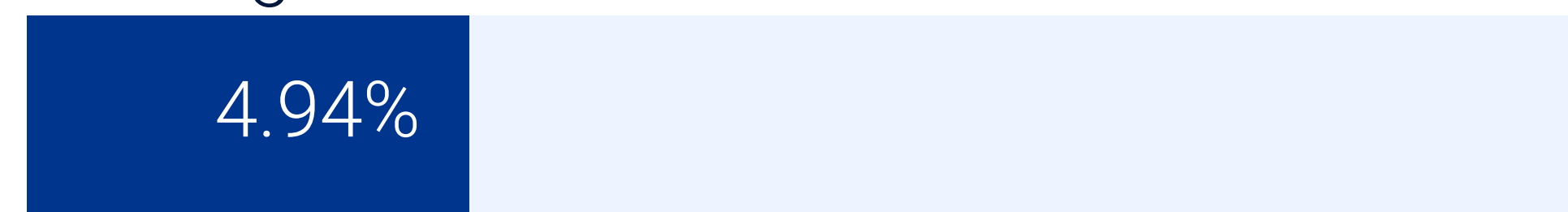
Floor tiles



Carpets



Roofing

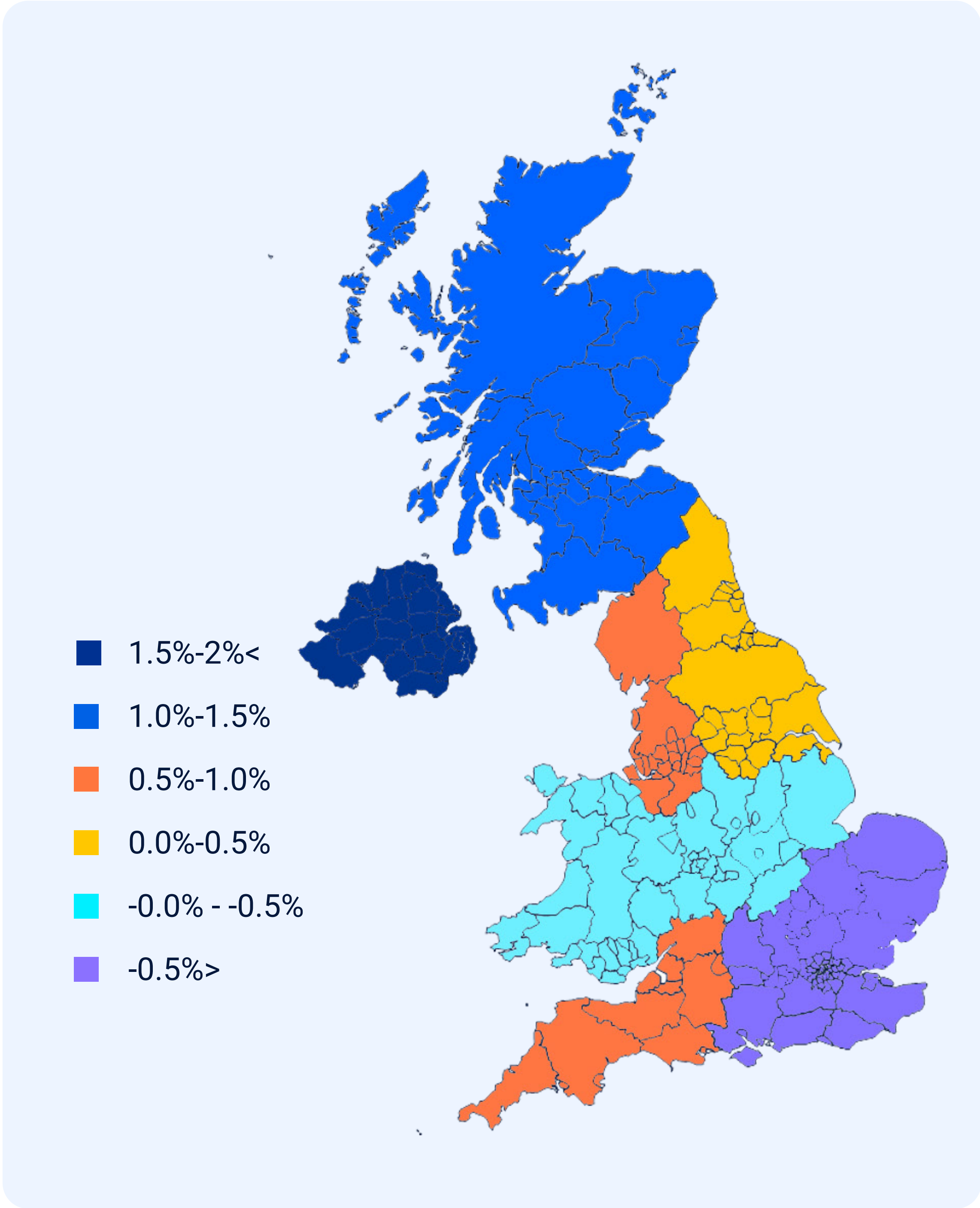


# Labour costs by region | Q1 2026

Retail wage movements by region in Q1 2026 show a more uneven picture than the trade-level results, with growth concentrated in a handful of areas and declines in parts of the South.

Overall, the distribution suggests that wage pressure is not being felt uniformly across the country: a small number of regions recorded clear upward movement, several posted only modest gains, and two key markets moved lower over the quarter.

Region	Labour cost movement
London	-0.77%
Midlands	0.60%
North East	-0.02%
North West	0.27%
South East	-0.72%
South West	0.25%
Northern Ireland	2.15%
Scotland	1.23%
Wales	0.77%

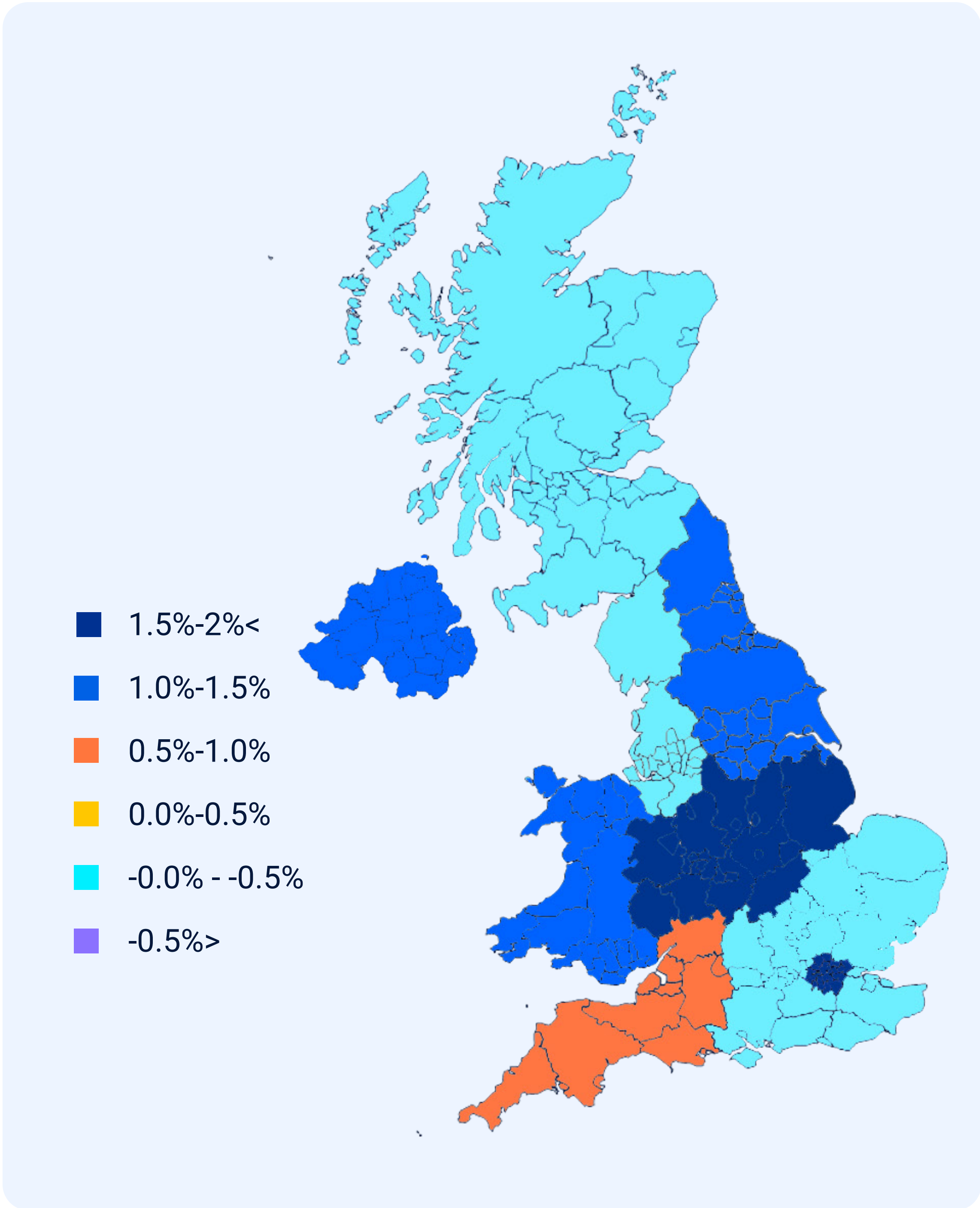


# Material costs by region | Q1 2026

Overall claim volumes have increased modestly compared to the previous quarter, with growth spread more evenly across a small number of perils rather than being driven by a single event.

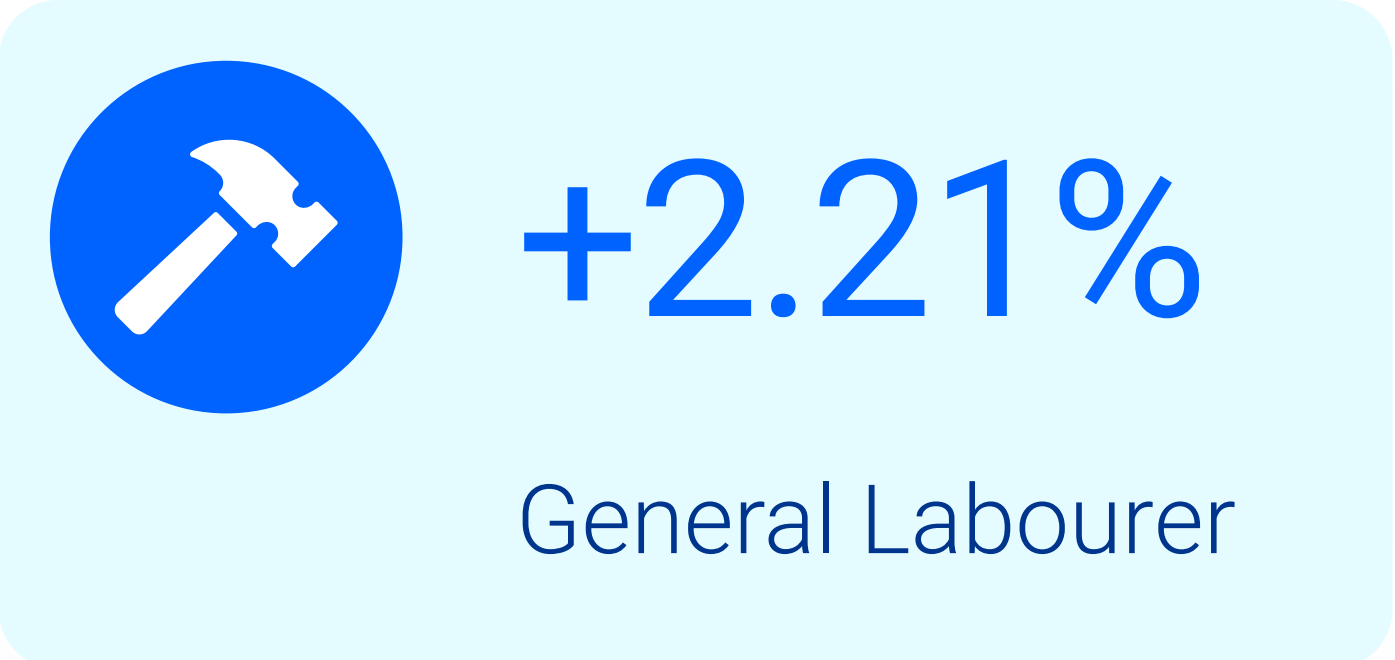
This represents a shift from the prior quarter, when volumes were heavily influenced by a surge in weather-related claims.

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## Labour costs by trade | Q1 2026

Retail wage movements by trade in Q1 2026 show a mixed but broadly stable picture, with most roles recording upward movement and a smaller group of trades posting declines. Overall, the distribution suggests wage pressure remains present across core site roles, while several skilled installation trades softened slightly over the quarter.



Altogether, the Q1 2026 results point to an uneven wage environment, where upward pressure is concentrated in general site and surface-finish roles - particularly painter and decorators and groundworks - while several technical and installation trades moved lower.

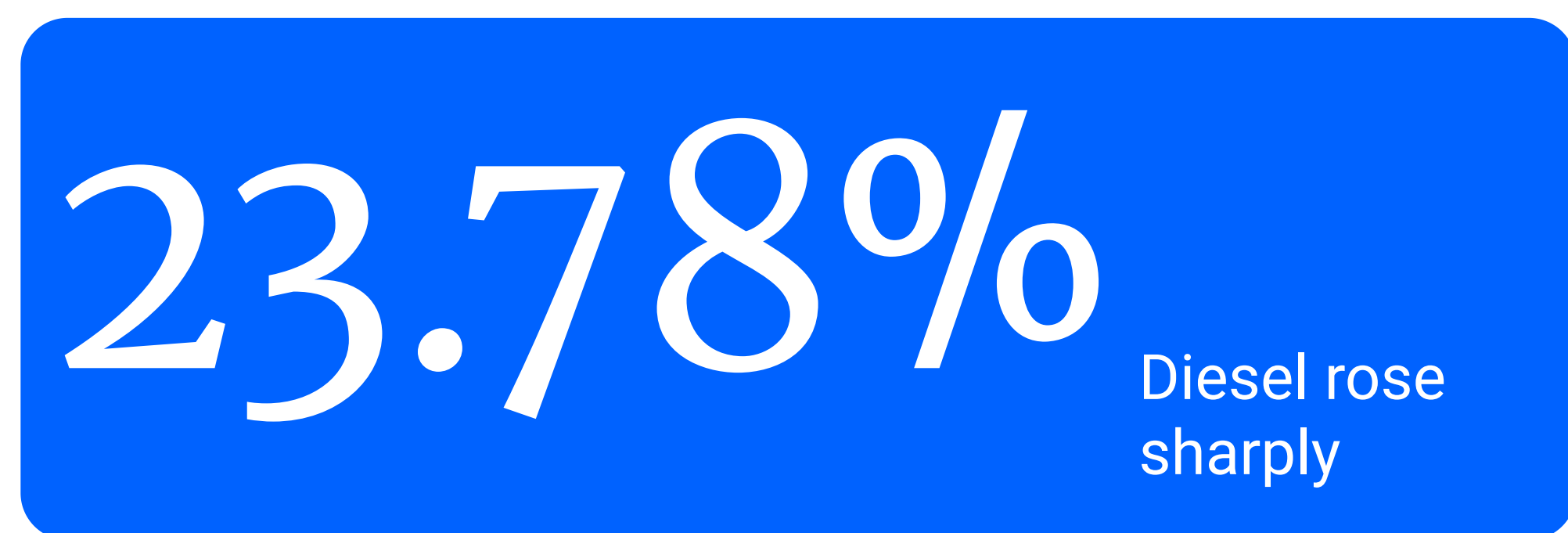
This pattern may reflect shifting work mix and competitive pressure in certain specialist areas, alongside steady underlying demand for core site labour as projects continue to progress through early 2026.



## Material costs by category | Q1 2026

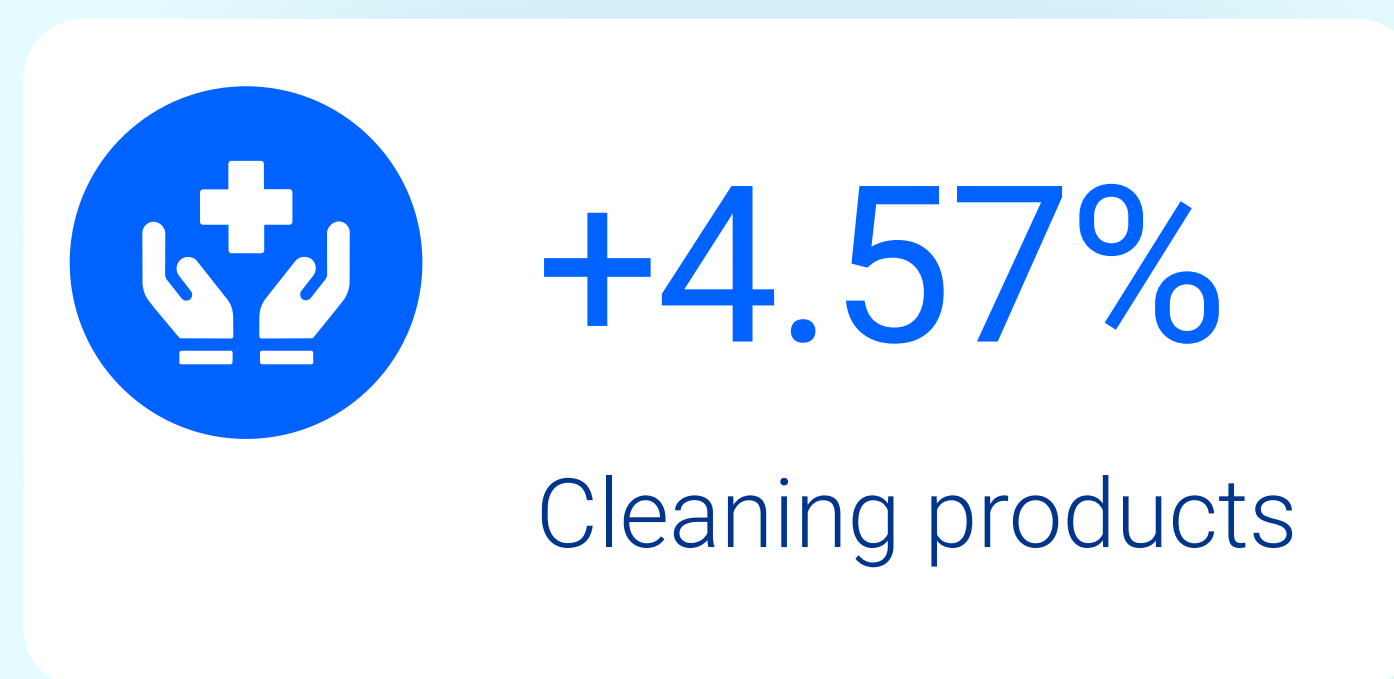
Price movements in Q1 2026 show a mixed but clearly segmented picture across UK construction categories, with inflation concentrated in a cluster of essential inputs while several interior finishing lines softened. Overall, the distribution suggests that cost pressure remains strongest in building services and fuel-linked items, while parts of the fit-out basket continue to correct.

### A key Q1 outlier



From a cost perspective, the increase is significant:

Diesel is a core input for haulage and distribution, so this uplift increases the risk of higher delivered costs across transport-intensive materials.

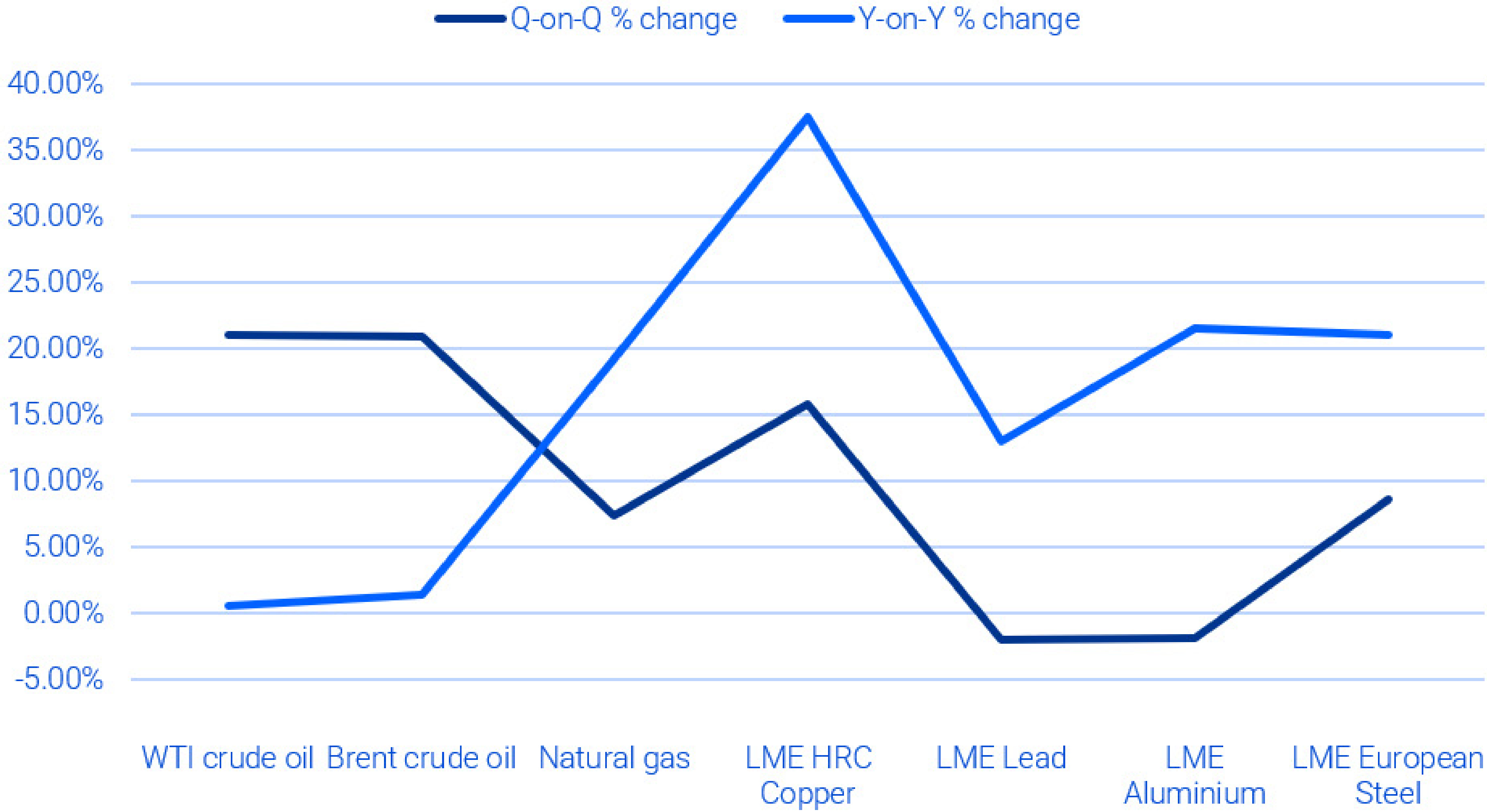


# Energy and Commodities

For the UK, the rebound in oil and gas prices increases pressure on fuel costs, transport and logistics, raising the risk of cost sensitivity for businesses and households. For the construction sector, higher energy prices can feed through into haulage, distribution, plant operation, and material manufacturing.

For insurers, higher fuel, energy, and logistics costs contribute to claims inflation by increasing contractor operating costs, delivery costs, call-out charges and reinstatement material costs, driving higher repair estimates and greater sensitivity to indexation and sums insured adequacy.

## Quarter-on-quarter & year-on-year change



	WTI crude oil	Brent crude oil	Natural gas	LME HRC Copper	LME Lead	LME Aluminium	LME European Steel
Q-on-Q % change	20.99%	20.85%	7.41%	15.78%	-2.00%	-1.97%	8.58%
Y-on-Y % change	0.54%	1.38%	19.18%	37.51%	12.95%	21.53%	21.04%



# Notes and references

We are in a moment of rapid change in the construction industry, and as always, we are working hard to ensure that our price list accurately reflects the market. As the situation progresses, we will provide our customers with regular updates.

Unless otherwise stated, the pricing values reported in this bulletin are national averages for the United Kingdom and Ireland and will vary from local prices.

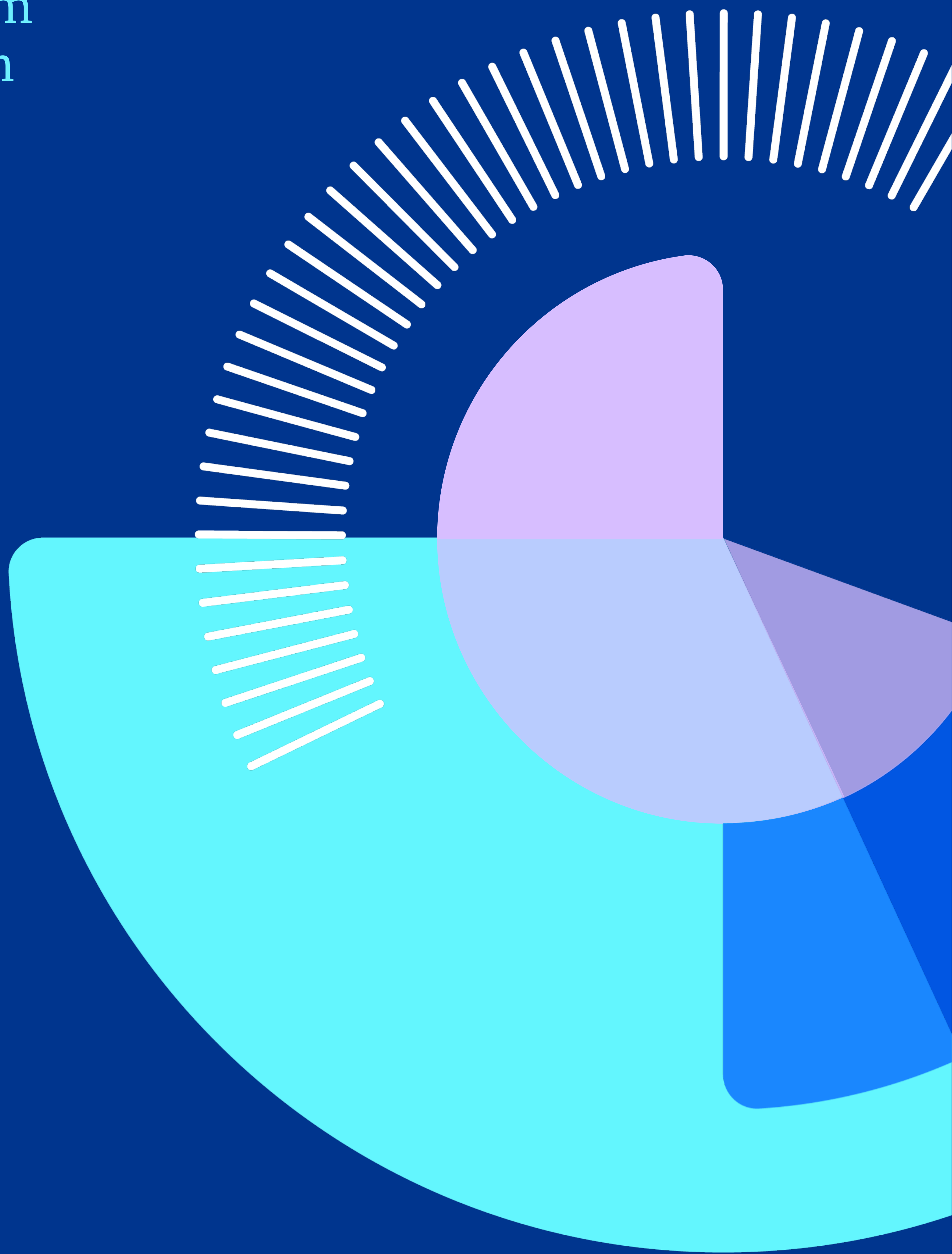
- <https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/bulletins/constructionoutputingreatbritain/february2026>
- <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2026>



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