

HOME BUYERS GUIDE:

The Cost of Building a Home in Saskatoon



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Home Buyers Guide: The Cost of Building a Home in Saskatoon

The cost to build a home in Saskatoon is \$235.14 per square foot.

Ok — we made that up.

We wish it were that simple, as it would make the quoting process much easier for us!

We're often asked what it costs to build a home. We compare it to asking what a new car costs. There isn't just one tidy answer. It depends on the brand, engine size, features, type of vehicle (truck versus car), etc. For a new home it depends on the quality, house size, features, house style (two-storey versus bungalow), and the list goes on.

In this guide we'll show you why there isn't an easy calculation for determining the cost of a home — but we'll provide you with some helpful pricing guidelines so you have an idea of what to expect when it comes to home building costs.

Fixed costs versus variable costs

Let's start off by examining fixed costs versus variable costs.

The **variable costs** change as the size of the house changes. Examples include flooring, drywall, paint, lumber, roofing, insulation, etc. As the size of the house increases, you need more of each of these items. The costs of these items vary with the house size.

Fixed costs are the costs that stay relatively unchanged as the house size changes. They may vary slightly with house size but not significantly. Some examples are permits, stairs, heating and cooling systems, plumbing and appliances.

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The fixed costs are one of the elements that make it difficult to come up with a definitive answer to what it costs (per square foot) to build a home. Here's an example:

Let's assume that the fixed costs for a home are relatively constant at \$200,000. Now let's look at the fixed costs of two different home sizes – a 1,500 square foot home and a 2,500 square foot home.

\$200,000 of costs on a 1,500 sq. ft home = \$133/sq. ft

\$200,000 of costs on a 2,500 sq. ft home = \$80/sq. ft

The difference is \$53 per square foot. That's a 66% difference in \$/sq ft pricing, even though the costs to build are exactly the same!

In the graph below, we show the relationship between house size and the cost of the home. As you can see, the cost per square foot of a home will *decrease* as the house gets *bigger* (assuming everything else stays the same). That's not to say the total cost of the home is lower as it gets larger, it just means the cost per square foot (also known as the unit cost) decreases.



Finishing levels and upgrades

The correlation between the quality of finishing materials and building costs is a pretty straightforward concept. More expensive selections will mean higher costs per square foot.

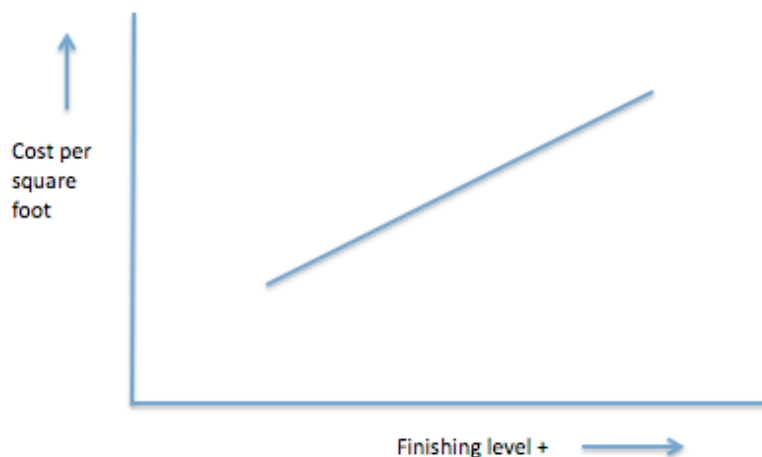
To accurately price out a home, the finishing materials need to be decided upon. In the past, we've been asked how much it costs to build a 2,000 square-foot, two-storey home. The answer depends on what level of finishing the home has. For example, will the home have stucco or siding, hardwood or laminate floors, quartz or laminate countertops? Do you want a wireless home audio/automation system? Do you want custom stairs or railings? Do you want high-end light fixtures?

Let's look at another example.

We'll assume we are quoting two people on the same 2,000 square foot floor plan. One person selects good quality mid-range finishing details. The other person wants to customize the home and incorporate some higher-end products and finishes. Let's say the price difference in finishing materials is \$70,000.

The pricing for these two homes will vary by \$35 per square foot for the same floor plan.

The graph below shows the relationship between finishing levels and the cost of the home.



House style

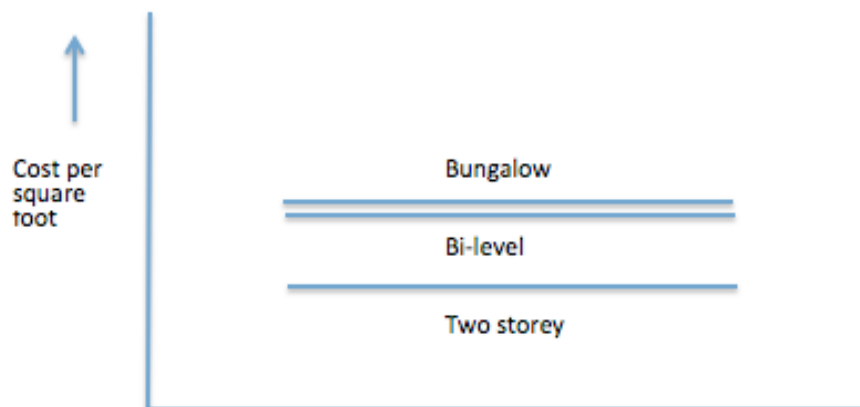
The final factor that affects the unit price (\$/square foot) of a home is the type of house plan. The vast majority of homes in Saskatoon fall into three types of house styles: two-storey homes, bungalows, and bi-levels. Each type of home has different costs to build.

Let's take a look at how a bungalow design compares with a two-storey design. If a bungalow and a two-storey are each the same size (livable space above grade), then the bungalow will have more linear feet of foundation wall, more square feet of basement floor concrete, and more roof area. All of these will result in higher costs to build.

Let's look at another example:

We'll assume we are quoting on a 2,000 square foot (above grade) bungalow and a 2,000 square foot (above grade) two-storey home that have the same finishing materials. Based on the type of home, the basement footprint on the bungalow will be the same size as the main floor (2,000 square feet). For the two-storey, the basement size will only be 1,000 square feet since the upper floors are both 1,000 square feet. The same holds true for roof size comparisons (2,000 square feet versus 1,000 square feet). As you can see, ***even though both homes are 2,000 square feet in size, and have the same finishing levels, the bungalow will cost more per square foot than the two-storey home.***

The graph below shows the relationship in the costs of different home styles, assuming all other things remain equal.



Summary

So, what did we learn other than the cost of a home is more complicated than just having a simple \$/square foot figure that applies in all situations?

- The larger the home gets, the lower the unit cost (\$/square foot) of the home, if all other things remain equal.
- Finishing levels can have a big impact on the unit cost of the home.
- The house style will impact the unit cost of the home, with bungalows being the highest cost and two-storeys being the lowest, if all other things remain equal.

What price ranges can you expect in Saskatoon?

As you can see, there isn't one single pricing answer we can provide to you without getting more information about your ideal home. However, we will attempt to give you a **ballpark estimate** of what price ranges to expect when building. The goal here is to provide you with some preliminary pricing information so you can determine if you would like to proceed to the next stage and obtain firmer pricing.

In our calculations, we have assumed the home falls within a range of 1,500-3,000 square feet. These estimates ***do not include land costs.***

Two-storey homes: \$200/sq. ft to \$275/sq. ft *

Bi-levels: \$220/sq. ft to \$295/sq. ft *

Bungalows: \$225/sq. ft to \$300/ sq. ft *

* If you would like more accurate pricing, please contact us! We offer no-obligation consultations to answer all of your questions about building a new home in Saskatoon and the surrounding areas.