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# Saskatchewan Real Estate Forum

## Managing Construction and Development Costs in the Saskatchewan Market



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# Outline

- **Increased Infrastructure Costs**
- **Reasons for Higher Costs**
- **Development Levies**

# Increased Infrastructure Costs

Item Description	2000 Unit Prices	2013 Unit Prices	% Increase
150 mm Cl. 150 PVC Water -main c/w trench compaction	\$61.75 / m	\$285.00 / m	462 %
Water Main Pipe 200mm dia. PVC C900 DR18	\$60.00 / lm	\$224.00 / lm	373 %
Gate Valve 200mm dia.	\$1,200.00 / ea.	\$2,550.00 / ea.	213 %
On Line Hydrants c/w Tee	\$2,600.00 / ea.	\$ 5,950.00 / ea.	229 %
Trench Excavation and Backfill for Sewer Mains – 250mm dia. Pipe 3.0 to 4.0 depth	\$70.00 / lm	\$340.00 / lm	486 %
Concrete Walk	\$62.00 / m <sup>2</sup>	\$337.50 / m <sup>2</sup>	544 %
Concrete Curbs and Gutters 150mm curb, Type 1	\$54.00 / lm	\$140.00 / lm	259 %
Granular Base 300mm thick	\$5.30 / m <sup>2</sup>	\$41.00 / m <sup>2</sup>	774 %
Hot Mix Asphalt Concrete Pavement, 8000 Newton Stability 100mm thick	\$ 12.35 / m <sup>2</sup>	\$47.00 / m <sup>2</sup>	380 %
Asphalt Surface Course – 50mm thick	\$7.15 / m <sup>2</sup>	\$23.50 / m <sup>2</sup>	329 %

# Reasons for Higher Costs

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- Labour
- Materials
- Fuel
- Supply and Demand
  - Higher development activity (Harbour Landing and Greens on Gardiner)
  - New infrastructure (GTH, Potash Mines)
  - Replace aging infrastructure
  - Difficult for new contractors to move in
  - Short work season

# Comparison of Development Levies

Community	2011	2012	2013	Typical cost Per house
Weyburn	\$45,000/ac.	\$65,000/ac.	\$86,000/ac.	\$17,200
Estevan	\$18,500/ac.	\$18,500/ac.	\$92,004/ac.	\$18,400
Regina	\$91,100/ac.	\$96,000/ac.	\$97,900/ac.	\$19,580
Saskatoon	Charged on a front foot basis, but higher than Regina			\$25,000
Martensville	\$16,668/lot	\$16,668/lot	\$83,340/ac.	\$16,668
Moose Jaw	\$32,000/ac.	\$32,000/ac.	\$32,000/ac.	\$6,400