



NORTH PRAIRIE
DEVELOPMENTS LTD.

Managing Construction and Development Costs in the Saskatchewan Marketplace

Interesting concept...but somewhat doable!

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1. Select an excellent design team

- ▶ Great team of architects and sub consultants
- ▶ Define your scopes of work and expectations clearly
- ▶ Use a well experienced team in the scope of design required
- ▶ Negotiate your contracts diligently with good council that understands these types of contracts

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- ▶ Define the time frames
- ▶ Late tender time frames can mean an additional 10% in a small marketplace like Saskatoon

“A solid base design and well written specifications and plans are invaluable.”

2. Developer participation in the design and construction details

- ▶ The developer must know the construction details and processes
- ▶ Take the time to learn it
- ▶ Visit the suppliers and sub trades
- ▶ Gather all of the information possible
- ▶ Take the time to go through all of the plans and design details. Hundreds of thousands of dollars can be shaved off of projects

“Review your project details thoroughly.”

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- ▶ Use in house or outside 3rd parties for design review and cost consulting
- ▶ Involve your marketing people and major sub contractors early in the process. They often have a lot to contribute!
- ▶ Redraws later are expensive and cost you valuable time
- ▶ Change orders are expensive in terms of cost and time

“There’s gold in those specifications and plans.”

3. Construction Processes

- ▶ Consider timing and product types in your selections
- ▶ Many combinations may sound more cost effective until you factor in time and the amount of different trades

IE: Super Structures – Combinations of steel, precast, toppings and fire ratings VS. cast-in-place

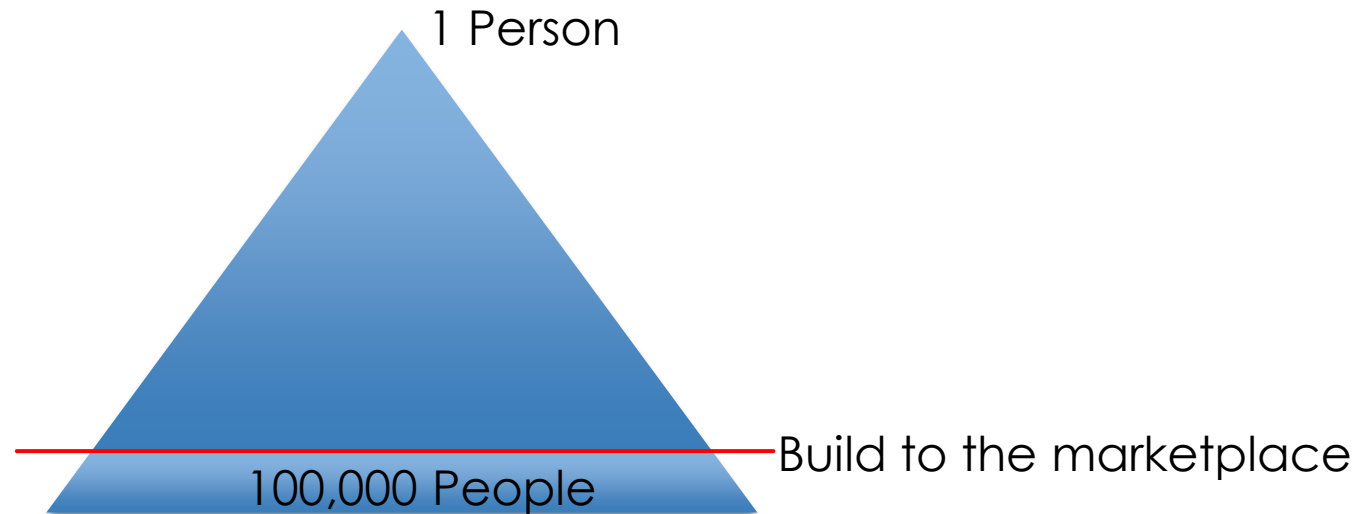
Exterior combination of glass, bricks, and stucco might have four trades and suppliers VS. say window wall only

- ▶ Time is money
 - ▶ $250 \text{ units} \times 6 \text{ months delays} \times 1500.00/\text{unit/month} = \$2,250,000.00 \text{ Net}$

“Good general contractors will appreciate your attention to construction details and well selected products.”

4. Niche Projects are great but don't get too Nichey

- ▶ Design costs can go through the roof
- ▶ The world is a triangle in terms of affordability



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- ▶ Add enough design and details for excitement but don't over build for the market
- ▶ Know your marketability

“Keep your design/construction costs in check”

5. Construction Contracts

- ▶ There are many different types
- ▶ Our company still likes lump sum with great design and well written plans and specifications
- ▶ CM contracts can be more open ended
- ▶ Fully understand the contracts you are entering into

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- ▶ Our preference is local contractors, trades and suppliers
- ▶ We prefer invitational general contractors and sub contractors – especially mechanical and electrical
- ▶ Contractor relationships are important and valuable

“Your contractor will appreciate your clarity and transparency”

Thank you and have a great day!



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*We would be pleased to answer
any questions*