Residential construction costs soar in rural Sask.

Regina Leader-Post · 23 May 2026 · DAVID FORTIER David Fortier owns Fortier Mattila Appraisals Inc., a real estate appraisal firm based in Battleford.

Residential construction costs have surged across the Prairies since early 2020, creating new challenges for farm families planning new builds.

Statistics Canada tracks building costs using the building construction price index (BCPI), which measures the total cost to construct residential buildings, including materials, labour, equipment, overhead, and contractor profit.

While it does not include land, design fees or municipal levies, the BCPI provides a reliable benchmark for understanding rising construction expenses. According to BCPI data, residential building costs from quarter 1 2020 to quarter 4 2025 have increased significantly: 58.4 per cent (Saskatchewan), 48.6 per cent (Manitoba), 76.6 per cent (Alberta).

Fortier Mattila Appraisals has tracked residential construction costs in rural northwest Saskatchewan since the start of the pandemic. This costing data is adjusted using the BCPI to reflect construction costs as of Q4 2025, and the following observations were made on a cost per square foot basis for the region:

Mobile/modular (crawl space, no garage): $189 – $268 (median: $217). One storey (crawl space, no garage): $205 – $382 (median: $300). One storey (finished basement, no garage): $340 – $568 (median: $392). One storey (finished basement, double attached garage): $387 – $603 (median: $435).

It is important to note these figures are historical based on past builds in rural northwest Saskatchewan and are not intended as a forecast or guaranteed projection for any specific future project. Actual costs vary by region, project, and contractor availability.

Calculations are based on above-grade living area only, which is why properties with finished basements and attached garages show significantly higher apparent per square foot costs.

Unlike urban builds, rural construction figures must account for site development. This includes essential vertical construction plus the high cost of well, septic, utility connections (natural gas, electricity) and grading.

While Saskatoon and Regina continue to see robust residential activity driven by record population growth and rising market values, the logistical and financial reality for rural Saskatchewan is markedly different. In certain rural markets, we are now observing an immediate equity shortfall. The total project cost (land acquisition plus construction) frequently exceeds current market values.

This creates significant hurdles for traditional mortgage financing, as the build effectively “costs” more than it is “worth” on Day 1.

Mortgages are typically based on market value, so families may need to cover the difference out of pocket. Farm Credit has increasingly provided financing for these projects, allowing some builds to proceed, despite cost-to-value gaps.

In regions where local contractor availability is limited, some families may consider alternative building methods, such as ready-to-move, relocatable or modular homes. While not always cheaper, these options can help maintain construction schedules.

The rise in construction costs and limited new builds is also affecting the existing farm home market. With fewer new homes coming onto the market, supply is constrained relative to demand, which can push up the value of existing improved properties.

In some markets buyers now view five- to 10-year-old homes as viable alternatives to building new as they are similarly constructed, but can often be purchased at a lower cost. Sellers of these relatively newer homes can often still turn a profit, given these homes were built when construction costs were lower.

Renovated homes have also appreciated in many markets, as the rising cost of materials, labour and specialized upgrades is increasingly reflected in higher property values

Many families are responding to these conditions by delaying new construction, scaling back designs or postponing multi-generational housing plans until conditions improve. Others are focusing on renovating existing homes to maintain livable housing while avoiding higher construction costs. However, renovation costs have increased substantially, as well.

A new home is more than a place to live — it reflects the confidence and investment of families in the future of their land and communities.

Rising construction costs, financing challenges and limited contractor availability can slow or complicate these plans. Understanding these trends helps farm families make informed choices about building, renovating and managing property in today's market.