

LEXIAR HOMES

Calgary, Alberta

THE CALGARY CUSTOM HOME BUDGETING GUIDE

Everything you need to know before you build — straight, no fluff.

Building a custom home is one of the most exciting — and most significant — financial decisions you will ever make. It is also one of the most misunderstood. Most people begin the process with a rough number in their head and a vision in their heart, and discover somewhere in the middle that the two don't always line up without proper planning.

This guide exists to change that. We've put together everything you need to understand what a custom home in Calgary actually costs, what factors affect your budget, what hidden expenses to plan for, and how to make decisions early that protect your investment and accelerate your build.

At Lexiar, we believe an informed client is our best client. The more you understand before we break ground, the smoother — and more enjoyable — the entire process will be.

01. What Does a Custom Home in Calgary Actually Cost?

The honest answer is: it depends. But that answer is only useful if you understand what it depends on — and how to use those variables to your advantage.

At Lexiar, custom home construction starts from approximately \$400 per square foot and can reach \$2,500 per square foot or beyond for ultra-premium builds. The range is wide because the possibilities are equally wide. A custom home is, by definition, built around your vision — and your vision is unique to you.

What Drives the Cost Per Square Foot?

- **Finishes and selections** — The single biggest variable. The difference between entry-level and ultra-premium finishes can add hundreds of dollars per square foot.
- **Structural complexity** — Vaulted ceilings, cantilevers, large open spans, and complex rooflines all add cost relative to a straightforward rectangular build.
- **Lot conditions** — Sloped lots, tight inner-city lots, and properties requiring shoring or significant excavation carry additional costs.
- **Size** — Larger homes achieve some economy of scale on fixed costs. Smaller homes often cost more per square foot.
- **Timeline and market conditions** — Material and labour costs fluctuate. Building during peak season or periods of high demand can affect pricing.

The most important thing to understand: cost per square foot is a starting point for a conversation, not a firm number. Every home is different. That's why we provide a detailed, line-itemed quote based on your specific selections — before you commit to a dollar.

02. The Full Budget Picture — What to Plan For

Construction cost is only one piece of your budget. A complete custom home budget includes several components that first-time builders often overlook. Here is what a realistic full budget looks like:

COST ITEM	TYPICAL RANGE
Land	Varies widely by neighbourhood — see Section 3
Construction (above grade)	From \$400/sq ft — varies by finishes and complexity
Basement development	Typically \$150–\$250/sq ft depending on finish level
Garage	\$50,000–\$150,000+ depending on size and finish
Site preparation & grading	\$15,000–\$60,000+ depending on lot conditions
City permits (DP + BP)	Typically \$15,000–\$40,000+ in Calgary — see Section 4
Engineering & architecture	Typically 8–15% of construction cost

Interior design fees	Varies — Lexiar connects you with the right designer
Landscaping	\$20,000–\$100,000+ depending on scope
GST (5%)	Applied to construction cost
Contingency (10%)	Always budget a contingency — expect the unexpected

03. Land — Calgary's Most Variable Cost

Land is often the most emotionally charged part of the budget — and the most variable. In Calgary's inner-city communities, lot prices can range from \$400,000 to well over \$1,000,000 depending on the neighbourhood, lot size, and what's currently on the property.

At Lexiar, we take a different approach to land than most builders. Rather than pointing you to a lot and designing around it, we start by understanding your ideal home — the size, the style, the lifestyle you want to live — and then help you find the land that best supports that vision.

Creative Ways to Save on Land

- Knockdown properties — Lots where the existing structure has minimal value and the land itself is the asset. These often represent better value than vacant lots in the same neighbourhood.
- Secondary communities — Neighbouring communities to your first choice often offer similar lifestyle benefits at meaningfully lower land costs.
- Lot configuration — Narrower lots, pie-shaped lots, or rear-lane lots may be priced lower but can still accommodate exceptional homes with the right design approach.
- Timing — Land prices fluctuate. Buying at the right point in the market cycle can represent significant savings.

Lexiar can help you evaluate land before you buy — assessing what's achievable on a specific lot, what the approval process looks like, and whether the lot supports your vision before you commit. This is a service most builders don't offer, and it can save you from expensive mistakes.

04. Permits & City Approvals in Calgary

Every new home in Calgary requires both a Development Permit (DP) and a Building Permit (BP). Permit costs are calculated based on the value of the construction and can represent a meaningful line item in your budget.

What to Expect

- Development Permit (DP) — Required before Building Permit. Covers land use, setbacks, and compliance with community plans. Typical timeline: 8–16 weeks for standard residential.
- Building Permit (BP) — Required before construction begins. Covers structural, mechanical, and electrical compliance. Issued after DP approval.
- Permit fees — Calculated based on the square footage of the project, not the construction value. For a typical custom home in Calgary, total permit fees generally range from \$15,000–\$40,000+ depending on the size of the build.
- Safety codes inspections — Required at multiple stages during construction. Included within the permit process.

Lexiar manages the full permit process on your behalf — from initial DP application through final occupancy. We know the city's requirements, have established relationships with the relevant departments, and keep the process moving efficiently so your build stays on schedule.

05. Hidden Costs — What Most Builders Don't Tell You

These are the costs that catch buyers off guard. At Lexiar, we identify them early — so they're budgeted for from the start, not discovered mid-build.

Common Hidden Costs to Budget For

- Power pole relocation — If overhead utility lines cross your lot or need to be moved to accommodate your build, relocation costs can range from \$5,000–\$25,000+ depending on scope and utility provider.
- Shoring — Required when excavating close to a property line or existing structure. Costs vary significantly based on soil conditions and proximity. Can range from \$20,000 to \$80,000+ on challenging lots.
- Grading and drainage — Some lots require significant earthwork to achieve proper drainage and meet city grading requirements. Budget \$15,000–\$60,000+ for complex grading situations.
- Asbestos removal — If you are demolishing an existing structure built before the 1990s, asbestos testing and remediation is required by law before demolition begins. Costs typically range from \$5,000–\$30,000+ depending on the extent of contamination.
- Temporary accommodations — If you are selling your current home to fund the build, you will need somewhere to live during construction. Budget 12–18 months of rental or temporary accommodation costs.
- Carrying costs — Interest on your construction financing accrues during the build. Factor this into your total project cost.
- Change orders — Changes made after construction begins always cost more than changes made in the design phase. This is why we invest heavily in selections and planning upfront.

06. The Biggest Budgeting Mistake — And How We Prevent It

In our experience, the single most common budgeting mistake custom home buyers make is not knowing the cost of their finish selections upfront.

Here's how it typically happens: a client gets excited about a particular kitchen, a specific tile, a countertop they saw in a magazine. They make those selections late in the process — sometimes after contracts are signed — only to discover that what they want costs significantly more than what was allowed for in their budget.

The result? Compromises they didn't want to make. Change orders that add cost and delay. A finished home that doesn't quite match the vision they started with.

The Lexiar Approach

At Lexiar, we do interior and exterior design selections at the very beginning of the process — before we quote, before we contract, and before construction begins. Here's why:

- Accurate pricing — When we know exactly what goes into your home, we can quote it accurately. No surprises, no allowances that don't reflect reality.
- Faster build — Materials ordered early arrive on time. We are never waiting on a selection to proceed to the next phase. This keeps your build on schedule and saves you carrying costs.
- Better decisions — Making selections before you're under construction pressure leads to better choices. You have time to consider, compare, and decide without the stress of a live construction site waiting on your answer.
- Design partnership — We connect you with the right high-end interior designer for your specific vision from day one. Not a generic recommendation — the right person for you.

The design and selection process isn't an afterthought at Lexiar — it's where the build begins. Get it right at the start and everything that follows is easier, faster, and more likely to match the home you've been picturing.

07. How to Finance Your Custom Home Build

Custom home financing works differently from purchasing an existing home. Rather than a standard mortgage, most custom builds are financed through a construction mortgage — a product specifically designed for the draw-based nature of home construction.

How Construction Financing Works

- Draw-based funding — Funds are released in stages (draws) as construction milestones are reached, rather than all at once at closing.
- Interest during construction — You pay interest only on the funds that have been drawn, not the full approved amount.
- Conversion at completion — Once construction is complete and occupancy is granted, the construction mortgage converts to a standard mortgage.
- Down payment requirements — Typically 20–25% of total project cost (land + construction), though this varies by lender.

What Lenders Want to See

- Detailed construction budget and timeline
- Fixed-price contract with a qualified builder (this is a significant advantage of building with Lexiar)
- Building permits in place or applied for
- Appraised value of the completed home

A fixed-price contract from a qualified, experienced builder like Lexiar significantly strengthens your financing application. Lenders are far more comfortable advancing funds against a build with a defined, committed cost — and it protects you from the cost overruns that can derail a project and a relationship with a lender.

08. How to Get Started With Lexiar

Building a custom home is a big decision — and you don't have to figure it out alone. At Lexiar, our process starts with a no-pressure discovery conversation where we talk through your vision, your timeline, your budget, and what's possible.

By the end of that first conversation, you'll know:

- Whether your budget is realistic for the home you have in mind
- What neighbourhood and lot options might work best for your vision
- What the process looks like from first sketch to final walkthrough
- Whether Lexiar is the right fit for your build

We respond personally to every inquiry within one business day. No sales team, no runaround. Just an honest conversation with someone who has built homes in Calgary and knows what it actually takes.

Ready to start the conversation?

Book a free discovery call with Josh Tumber, Owner of Lexiar Homes.

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