

WHY DOES A NEW HOME IN OTTAWA COST SO MUCH?



Serviced Land
\$115,700

Development Charges
\$25,312

Municipal Fees & Government Taxes
\$73,000

Construction
\$151,300

Business Operations
\$48,900

Profit
\$26,700

26%	Serviced land is land that includes all of the utilities required for today's home - roadways, street lights, curbs, sidewalks, water, sewer, electricity, oil & gas and phone/ cable/ Internet. Homebuilders finance and install all of these utilities.
6%	Development charges are a fee imposed on new homes by the City of Ottawa. These charges cover the cost of additional city infrastructure and services related to the new home (roads and related services, police and emergency).
17%	Municipal fees & government taxes include building permit fees (typically \$2,400 for a 2,000 square foot home), provincial land transfer taxes and the HST on building supplies and labour.
34%	Construction costs are the costs of building materials and labour required to build the actual house. These costs have remained relatively constant over the past 10 years due to advances in new technology and materials.
11%	Business operations are the homebuilder's activities and day to day functions conducted for the purpose of building and selling a home. These costs include employee salaries, professional fees, office overhead and marketing and sales costs.
6%	Profit is the difference between the purchase price of a new home and the costs of bringing it to market.

\$440,912 SINGLE FAMILY HOME

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