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The Toronto custom home *benchmark.*

What custom residential construction actually costs in 2026 — and what determines where in the range your project lands.

By the MACON Build editorial team

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A NOTE ON THIS DOCUMENT

This document is one of a small collection of resources MACON Build publishes for Toronto property owners considering significant residential work. It is offered freely, without registration, in the belief that informed clients make better decisions and build better buildings — whether or not they ever engage us.

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A custom home in Toronto in 2026 will likely cost more than the listings make it look. The market quotes ranges; the ranges are wide; the wide ranges are honest. This document explains why — and where in the range your project is likely to land.

i. What a custom home actually costs

Toronto's custom home market in 2026 is segmented by tier, and the gap between tiers is wider than most clients expect. The following ranges reflect construction-only hard costs — what the builder charges to put the house up. Land, soft costs, and site costs are additional.

- **Entry custom ($400–$550/sq ft).** A serious custom build with standard structural systems, well-chosen but not exotic materials, and finishes selected from established product lines. Architect-designed but without unusual engineering. The lower end of what genuinely qualifies as custom rather than production housing.
- **Mid-custom ($550–$800/sq ft).** Higher-grade finishes throughout, more complex architecture (longer spans, cantilevers, larger openings), better mechanical systems, more design intent visible in every room. The middle of the Toronto custom market.
- **Luxury custom ($800–$1,200/sq ft).** Architect-led design with bespoke detailing, premium imported materials, custom millwork throughout, sophisticated mechanical systems (geothermal, advanced HVAC, integrated automation). The standard for serious Toronto custom homes in the prime central neighbourhoods.

— **Ultra-luxury ($1,200–$2,000+/sq ft).** No catalogue items; everything custom-designed and custom-made. Imported stone, hand-finished plaster, custom metalwork, often bespoke art commissioned for the spaces. The ceiling does not exist where you think it does.

These are 2026 numbers and they will not hold for long. Material costs have stabilized after several volatile years, but skilled trade wages continue to climb, and Ontario Building Code 2024 energy efficiency requirements have raised baseline construction costs by approximately 8–12% across all tiers.

ii. What changes between tiers

Three things scale up as the per-square-foot number does: finish quality, design intent, and tolerance for complexity.

Finish quality is the most visible. The kitchen at $400/sq ft and the kitchen at $1,200/sq ft are not the same kitchen. The difference is not just in the materials — it is in the precision of execution, the tightness of reveals, the way the doors close, the silence of the drawers. Most clients underestimate how much of the budget the kitchen and primary ensuite alone can absorb at the upper tiers.

Design intent is the second variable. Entry custom homes look like good versions of what other people have built. Luxury and ultra-luxury homes look like nothing else, because they are designed from first principles for the specific site, the specific client, and the specific life that will be lived inside them. The architect spends more hours; the builder is asked to do harder things; the finishes resolve more thoughtfully.

Tolerance for complexity is the third. A 30-foot clear span is more expensive than two 15-foot spans. A flat roof is more expensive than a pitched one. A frameless steel window wall is more expensive than punched openings. Most of what distinguishes high-end residential architecture is structurally and mechanically harder to execute. The cost reflects that reality.

iii. The soft costs people forget

A complete project budget includes more than construction. Soft costs in Toronto typically add 20–30% on top of hard construction costs, and the components are reasonably predictable.

- **Architectural and engineering fees:** 8–15% of construction cost, depending on the architect's involvement and the complexity of the design
- **Permit fees:** A few thousand dollars for the permit itself, but with the City of Toronto's full review process the application costs can run higher
- **Development charges:** Toronto's DCs have risen sharply — from approximately $14,000 in 2011 to over $97,000 by 2023 for a single-family detached unit. City Council froze the 2025 and 2026 rates, but the underlying number remains substantial
- **Committee of Adjustment:** $5,000–$25,000+ if minor variances or zoning relief are required, including consultant and legal fees
- **Site work and connections:** Surveying, soil testing, utility upgrades, sewer connections, driveway and landscaping — often $50,000–$150,000 depending on lot conditions
- **HST treatment:** Depends on whether the build is owner-occupied or built for resale; confirm with your accountant early

Add a 10–15% contingency on top of all of this. Toronto custom homes do not run on time and they do not run on budget. They run within tolerance of both when the planning is honest.

iv. Why ranges, not point estimates

A builder who tells you precisely what your project will cost before drawings exist is quoting an aspirational opening, not a reality. The honest answer is always a range, because the variables that determine the final number have not yet been set.

No two lots are equal. A flat, dry, regularly-shaped lot with good street access is materially cheaper to build on than a sloped, wet, irregular lot with restricted access. The variance can be 10–15% of total construction cost. You will not know which you have until soil testing and surveying are complete.

Finish selection drives cost more than clients expect. The shift from a quartz countertop to a custom marble slab is real money. The shift from a domestic faucet to an Italian one is real money. Twenty such choices, made room by room over the course of design development, are how a budget moves from one tier to the next without anyone noticing it happened.

v. Working backwards from the budget

The instinct on most custom projects is to start with the dream and price it. The discipline is to start with the budget and design within it.

Build the project budget backwards: total spend → minus contingency → minus soft costs → minus site costs → equals construction budget. Divide by the square footage you actually need and you have a per-square-foot working number. That number, more than the dream board, determines what tier you are building in and what your design conversations should sound like.

A clear-eyed budget conversation at the start of a project saves more money than every value-engineering exercise that happens later. We have it with every client before drawings begin.

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BY PRIVATE INQUIRY

Honest numbers, given early, save everyone time. If you are planning a custom home in Toronto and want a candid pre-design conversation about what your budget will actually support, we are glad to have one.

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