

Committee of the Whole (1) Report

DATE: Tuesday, May 5, 2026

WARD(S): ALL

TITLE: CONSTRUCTION COST INDEX STUDY

FROM:

Vince Musacchio, Deputy City Manager, Planning and Infrastructure Development

ACTION: FOR INFORMATION

Purpose

Council previously authorized staff to undertake a Construction Cost Index Study to support improved consistency in estimating costs associated with developer-built municipal infrastructure.

The study has now been completed. This report provides Council with an overview of the work undertaken and outlines how the findings will support ongoing administration of development agreements in the context of evolving construction market conditions.

No Council direction is being requested through this report.

Report Highlights

- The Construction Cost Index Study has been completed to support consistent approaches to infrastructure cost estimation.
- The findings will assist staff in administering development agreements in a predictable and transparent manner.
- The work reflects continued efforts to respond to changing construction market conditions.
- The initiative supports effective delivery of infrastructure required to accommodate growth.

Recommendations

1. That staff continue to utilize the findings of the Construction Cost Index Study to inform operational practices related to development agreement administration and infrastructure financial securities.

Background

Council previously considered staff reports related to the preparation of a Construction Cost Index Study intended to support improved consistency and efficiency in the administration of development agreements.

The initiative was advanced in recognition of changing construction market conditions and the importance of ensuring that cost estimates for developer-built infrastructure are reviewed using structured, informed approaches. These cost estimates form part of the basis for determining the value of securities required to guarantee completion of municipal works.

The study has now been completed with consultant support and provides a reference framework that staff can use when reviewing infrastructure cost estimates submitted as part of development applications and agreements.

Previous Reports/Authority

[Item 6, Report No. 27, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on September 24, 2024](#)

[Communication – Council – Preparation of Construction Cost Index for Development Projects September 24, 2024](#)

Analysis and Options

The Construction Cost Index Study included a review of historic infrastructure construction costs, market pricing trends, and key cost drivers associated with municipal infrastructure delivered through development agreements.

The findings provide an additional reference tool to assist staff in reviewing applicant-submitted cost estimates and determining appropriate infrastructure securities. This supports greater consistency in decision-making and contributes to the effective administration of development agreements amid evolving construction market conditions.

Maintaining existing practices would continue to rely primarily on static estimates and project-specific adjustments. Alternatively, undertaking the work internally would have required allocating staff resources, which could have affected service levels for development application review.

Completion of the study allows the City to enhance existing practices by introducing a more structured, informed reference framework, while continuing to support the timely processing of growth-related applications.

The study includes construction cost projections and indexed values through to 2028, providing a forward-looking reference to support the administration of development agreements in the near to medium term. As market conditions continue to evolve, staff may review the need for future updates or refinements to the index framework and could report back to Council at a future date should additional direction be warranted.

Beyond its application to individual development files, the study contributes to broader organizational efforts to administer growth-related infrastructure obligations in a consistent and informed manner. Establishing this structured reference framework supports staff in responding to changing market conditions while maintaining predictability in agreement administration and advancing the City's long-term growth management objectives.

Financial Impact

There are no new financial impacts associated with this report.

The Construction Cost Index Study was completed within previously approved capital funding. The findings will support staff in determining infrastructure securities associated with development agreements and contribute to ongoing financial stewardship related to growth infrastructure delivery.

Operational Impact

Development Engineering staff will apply the study findings when reviewing infrastructure cost estimates and determining securities required through development agreements.

The work supports continued efforts to provide clarity and predictability in agreement administration while responding to evolving market conditions.

Broader Regional Impacts/Considerations

Construction cost pressures and market variability are affecting municipalities across the Greater Toronto Area. While the study reflects Vaughan's specific operational context, the initiative aligns with broader municipal efforts to strengthen financial stewardship and support infrastructure delivery in a changing construction environment.

Conclusion

Completion of the Construction Cost Index Study represents an important step in strengthening the City's approach to administering development agreements and reviewing infrastructure cost estimates associated with growth-related infrastructure. The structured reference framework developed through this work will assist staff in responding to evolving construction market conditions while supporting consistent and informed determination of infrastructure securities.

This initiative contributes to broader efforts to support the predictable delivery of infrastructure required to accommodate growth and reinforces the City's ongoing commitment to sound financial stewardship.

Staff will continue to apply the study findings through operational practices as development activity progresses.

For more information, please contact: Lauren Crawford, Director, Development Engineering, ext. 8255

Attachments

1. Construction Cost Index Study, HDR Corporation, April 2026

Prepared by

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