Risk management in Building Projects: An Analysis of Time and Cost Risk

Abstract:

Building projects often experience cost and time overruns. This problem is common across the world but it appears to be more pronounced in many developing countries such as Kenya. These overruns, depending on their magnitude can develop into major risks which will threaten the success of these projects. This research surveyed a total of one hundred and twenty (120) building projects and their cost and time overruns were determined. These overruns were used to develop fictional relationships with the probability of both the cost overruns and used to develop prediction equations. The models developed may be used to predict the risk (magnitude) for cost and time overruns for various types of building projects. These predictions should form a basis for allocating risks to various parties involved in building projects.