

Avoidable Construction Estimating Mistakes

In the past three years, only 31 percent of all projects came within 10 percent of their budgets. To top it off, 78 percent of engineering and construction companies believe project risks are rising¹. Suffice it to say, there is room for improvement. Here are five construction estimating mistakes you should be aware of and best practices to put in place to avoid becoming their next victim.



Unrealistic Expectations

Don't let optimistic (or pessimistic) expectations color your estimate. Banking on ideal or worst-case scenarios can lead to biased, improbable estimates. The last thing you want to do is set yourself up for blown timelines or bloated expectations.



All Your Eggs in One Basket

Trust your own knowledge, but also don't be reluctant in relying on outside data sources. An accurate estimate should be a marriage of your own historical data with a credible third-party construction cost data source. This allows for a custom dataset complemented by impartial authenticity.



Lack of or Incorrect Permits

Permits cost money. And if you don't have them (or have the wrong types) they can put work at a total standstill. When entering a new market or performing an unfamiliar scope of work, be certain to factor proper permits and corresponding costs into estimates to avoid any unexpected delays.



Designing in a Silo

Project parameters must be established clearly at the onset. You don't want a design that includes three bathrooms on the third floor when there will only be room in the budget for two (or worse, there's no room for a third floor at all). Understanding limitations and constrictions ensures everyone's on the same page, limiting the possibility for unnecessary change orders.



Missing Details

Be it due to time constraints, lack of knowledge or unintended mistakes, missing items or generalized task descriptions can have immediate (and delayed) consequences. Your estimates will of course be too low, leading to inevitable change orders and project delays. Since this is one of the most common mistakes, it's never a bad idea to take the time to account for all materials, labor and equipment by referencing past similar work or detailed cost data.



Explore tools and resources to help you create accurate estimates by visiting rsmeans.com/betterestimates