Multiproject

Why 69% of residential projects go over budget

And the process that prevents it

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And the process that prevents it

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This aligns with the general experience across UK residential projects: **most projects go over budget,** often materially.

This is frequently explained away as a result of:

- **changing clients**
- **complex sites**
- **planning uncertainty**
- **inflation**

In practice, those factors only expose a deeper issue.

Most residential projects do not go over budget because of one major failure. **They do so because the process required to control cost is only partially followed — or not followed at all.**

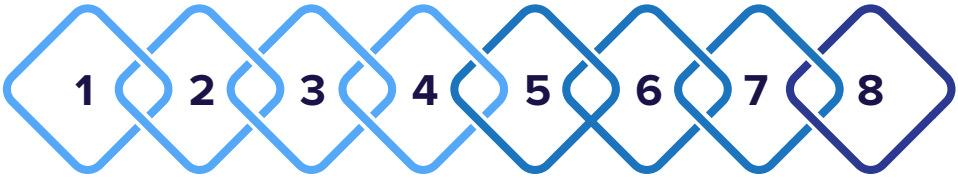
Where key steps are missing, diluted, or introduced too late, projects rely on **damage mitigation during construction** rather than clarity and control from the outset.

This guide sets out:

- **the full process required to deliver a project on budget**
- **how and where residential projects typically fall short**
- **why problems surface late — even when early cost plans exist**

Cost overruns are rarely surprises.
They are usually the delayed result of early omissions.

Staying on budget is a process, not a cost plan



Cost certainty is not achieved by producing a single document.

It requires a sequence of **linked decisions**, carried through consistently from brief to construction.

If several of these steps are missing or weakened, the outcome is predictable — **regardless of how experienced the team is.**

This is the process that must be in place for a residential project to **remain on budget.**

A solid brief and a realistic budget agreed upfront

Cost certainty starts with a clear, testable brief and a budget grounded in reality.

This means:

- **Scope, quality and ambition defined early**
- **Assumptions made explicit, not implied**
- **Risks identified and properly priced**

WHAT OFTEN HAPPENS INSTEAD

On many residential projects, budgets act as placeholders, quality expectations remain vague, and risks are acknowledged but not costed. The result is a false sense of control — one that gradually unravels as decisions are tested against reality and costs begin to escalate.

Ensuring design stays within the agreed brief scope

Once a brief and budget are agreed, they must actively guide design decisions.
This does not limit creativity — it provides context.

Design development should:

- **reference the agreed scope**
- **test decisions against cost consequences**
- **acknowledge when a proposal moves beyond the brief**

WHAT OFTEN HAPPENS INSTEAD

Design evolves, but the brief is not revisited.
Scope increases quietly, while the budget remains unchanged.
By the time the misalignment is visible, change becomes expensive.

A more detailed elemental cost plan at Stages 2–3

Early cost plans provide direction.
Stage 2–3 cost plans support decisions.

At this point, sufficient design information exists to:

- **test options meaningfully**
- **understand cost drivers**
- **identify pressure points before they harden into problems**

WHAT OFTEN HAPPENS INSTEAD

Either no updated cost plan is prepared, or cost planning is rushed or deferred until the design is effectively fixed. In both cases, the opportunity to influence outcomes is lost, limiting the ability to adjust scope, manage risk and protect the budget while decisions can still make a meaningful difference.

Updating cost plans when design changes materially

Cost plans are only reliable if they reflect the current design.

Where design changes materially:

- **cost plans must be reviewed**
- **assumptions must be re-tested**
- **impacts must be understood before decisions are locked in**

WHAT OFTEN HAPPENS INSTEAD

Outdated cost plans continue to be referenced long after they no longer reflect the scheme.
This creates misplaced confidence — until tender or construction exposes the gap.

A robust procurement process to select the right contractor

Procurement plays a major role in budget certainty.

A robust process considers:

- **contractor capability**
- **risk profile**
- **suitability for the specific project**
- **clarity of pricing and assumptions**

This is not about lowest price.

WHAT OFTEN HAPPENS INSTEAD

Procurement is compressed to meet programme pressure.
Limited interrogation of exclusions and assumptions takes place.
Risk is transferred unknowingly — and returns later as cost.

A clear and thorough tender package

Most construction disputes originate in ambiguity.

A well-prepared tender package:

- **defines scope clearly**
- **reduces interpretation**
- **limits the opportunity for claims arising from omissions or inconsistencies**

WHAT OFTEN HAPPENS INSTEAD

Incomplete or unclear information leads contractors to make their own assumptions, creates gaps in understanding between parties, and increases the likelihood of disputes during construction. By this stage, the cost consequences are difficult to control, and adjustments often come at a premium.

Appropriate and clearly understood construction contract terms

Contract terms should reflect:

- **the procurement strategy**
- **the level of design development**
- **how the project is intended to operate**

They should allocate risk deliberately — not by default.

WHAT OFTEN HAPPENS INSTEAD

Standard forms are used without sufficient consideration of context, and risk is shifted without understanding the commercial implications.

Cost control during construction

Effective cost control during Stage 5 should confirm decisions already made.

If earlier steps have been carried out properly:

- **variations are limited**
- **changes are deliberate**
- **reporting is confirmatory rather than reactive**

WHERE EARLIER STEPS ARE MISSING

Construction shifts from a phase of proactive cost control to one dominated by damage limitation, negotiation and cost recovery, as teams respond to issues that could have been managed earlier.

Why this matters
For architects

When these steps are missing, the impact is rarely limited to the final account.

For architects, budget failure typically means:

- **increased stress and emotional load during delivery**
- **repeated redesign work that cannot be fully recovered in fees**
- **difficult client conversations late in the project**
- **erosion of trust, even where design quality is high**
- **disputes between project team members**
- **reputational damage that affects referrals and repeat work**

Much of this pressure lands on architects during Stage 4 and Stage 5, when influence is lowest but consequences are highest.

Late-stage cost problems often consume more time and energy than the design itself.

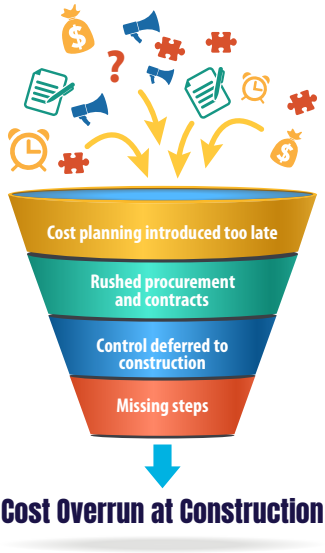
The pattern behind budget overruns

Residential projects rarely fail because of one mistake.

They fail because:

- **multiple steps in the process are skipped or weakened**
- **cost planning is introduced too late**
- **procurement and contracts are rushed**
- **control is deferred to construction**

At that point, overruns are not surprising — they are inevitable.



Final thought

Staying on budget is not about adding more reports or more administration.

It is about:

- **applying cost thinking at the right moments**
- **maintaining continuity from brief to build**
- **and treating early clarity as a strategic choice, not an optional extra**

Different stages require different levels of input.

The earlier clarity is established, the less correction is required later.

About Multiproject

Multiproject supports UK residential architects at the early and decision-critical stages of projects, focusing on budgets, scope and risk before problems appear.

Our approach is:

- **fixed-fee and transparent**
- **proportionate to project stage**
- **designed to work collaboratively alongside design teams**

The aim is early clarity — not added admin.