

5 Strategies to Create an Accurate Construction Budget

90% of projects experience cost overrun.

Hiring the right commercial construction company is essential to avoid the costly delays and inefficiencies that are common in this industry. This decision is essential to the success of your project. It's a decision that profoundly impacts your project's quality, timeliness, and overall outcome.

Scott-Long Construction is your partner in navigating the critical nature of this decision and is committed to providing you with the expertise and dedication required to bring your vision to life.

With a proven track record and a steadfast commitment to excellence, Scott-Long Construction is the ideal choice to ensure your project's success.

You need more than a promise to get there - you need a concrete plan.



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1- Make the budget part of your design and select your builder early.

Have a builder on the team before the architect even puts pen to paper. This allows for a more collaborative approach and helps you find the right size, quality, time, and logistics mix. A PMI study found that poor communication is the main driver of one-third of all construction project failures. Make sure to start things off right.

In an article released by Propeller, a trusted name in construction, “design errors or inadequate scope in the original project estimate frequently results in midstream project changes, which increase the overall cost as well as the delivery timeline.”

For example, your builder can easily tell you the rough cost for different building types, square footage, and material selections. This stops the design team from wasting time and money on concepts that don't fit your budget in the first place.

2- Tell your project team your budget.

A recent study found that over a three-year span, only 31% of construction projects came within 10% of their budget. That means you need firm goals even in the planning stage.

Tell your project team your budget up front and save time from wasted effort on unrealistic plans. If you don't know your budget, give a range of what you think you could live with.

You may ask, “Won't the builder sandbag his price now that he knows your budget up front?” Not likely, a trust-based contractor can provide for open book audit rights (or should be an open book in preconstruction) and protect you from this worry.

3- Be open to alternatives in design and material selections.

Inflation is a major challenge right now - and it's more significant when it comes to construction costs. The cost of building materials has increased over five times that of the general inflation rate. Be open to different materials or vendors that may not be your ideal choice to save money on costs.

There are many different options that deliver excellent performance. Yes, there are still Cadillacs and Chevy's, but depending on your project goals... it may not matter. Let your design team and builder open the specifications to get your project onto the market and then have the vendors compete for the sale.

4- Know your plans.

If you don't know the contract documents, you will end up with change orders. Imagine walking the job site halfway through the project and saying, "I didn't know this room was so small!" Change orders kill your schedule momentum and cause delays. And change order work costs at least 30% more than bid-day work. (They're a pain for everyone!) Fine-tune your plans during pre-construction and save yourself the pain and high cost of change orders.



5- Work with trusted partners and streamline the process.

30% of construction is waste. Plans, specifications, submittals, RFI's, RCO's, Lien waivers, Pay Applications...these all cost time and time is money. Look, we don't recommend that you rely only on a handshake, but with trust-based relationships, the paperwork can be minimized. Look for team members you can trust and trust each other.

Look for partners who will pick up the phone and solve problems efficiently without wasting time with emails and paperwork. Whenever you can replace paperwork with a quick phone call, it saves time and money. Build relationships with contractors who are good stewards of your time.

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Let's Talk About Your Project.

Are you prepared for a partnership that prioritizes quality work and unwavering commitment to your needs? Take the first step now by reaching out to us.

We're eager to provide you with a budget and timeline that you can trust for your upcoming project.

Let's turn your vision into reality together – contact us today to discuss your next project.

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