



April 16, 2004

Over-budget building projects

by richard morrison

From the Suez Canal to the suburban kitchen, building projects never hit budget

"MY NAME is Ozymandias, king of kings: look on my works ye mighty, and despair!"

Quite so. Shelley's words must have sprung into my mind a thousand times last year, the *annus horribilis* in which I watched my terraced house being deconstructed by the North London building trade with such excruciating slowness that I reckon I now know how victims of Chinese water torture feel.

In my pathetic suburban way, I had played Ozymandias: commissioning, if not a vast Arabian palace, then at least a remodelling of our humble family abode to provide a bigger kitchen, a new glass-roofed living area, and the house's first significant plumbing overhaul since 1891. Because we wanted a hassle-free experience, we employed an architect both to design the new areas and supervise the building process. With the architect we agreed a "ball park" price that we would feel "comfortable" paying. It's all ancient history now, but I remember the magic words "thirty thousand quid" featuring in our discussions.

Thus briefed, the architect drew up a plan. Mysteriously, it featured a new upstairs bathroom, never before mentioned. He said it would be a "useful feature". We disagreed. His revised plan was fine, and went out to tender. First shock: not a single builder provided a quote within striking distance of our "ball park" £30,000. One quote was more than twice that. The lowest was £39,000. The firm concerned said that it could start work immediately and finish within ten weeks. The architect said: "Give them 12 weeks, to allow for slippage."

Some slippage! That was in January 2003. In the second week of July, after 22 weeks' labour, the job was finished. Including VAT and architects' fees, the total came to well north of £50,000. The strange thing is, friends tell us we got off lightly. The builders, an entertaining "New Europe" mixture of Romanians, Poles and Irishmen, were polite and tidy. Their work was good. Our new kitchen is the talk of Hendon.

Yet niggling questions assail my mind. How did our original discussions of a £30,000 project imperceptibly inflate upwards by 75 per cent? And why did the work take twice as long as estimated, when nothing seemed to go particularly wrong? Is that customary? Was I naive to expect anything else? As chance would have it, while all this was happening I was reading a fascinating book called *Megaprojects and Risk* (Cambridge University Press), which examines why so many huge building projects around the world go hopelessly over budget and deadline. My Ozymandias complex isn't so far advanced that I would equate my new kitchen to the building of the Sydney Opera House (15 times over the original estimate), the Suez Canal (20 times over) or the new Scottish Parliament (ten times over, and rising). Nevertheless, I quickly became convinced that the same psychological games were at work — and that if all homeowners were made aware of these, much grief and frustration could be avoided.

The authors, three Scandinavian social scientists called Bent Flyvbjerg, Nils Bruzelius and Werner Rothengatter, bluntly accuse



architects and builders of “strategic misrepresentation, namely lying, with a view to getting projects started”. The biggest crime is “appraisal optimism”: presenting clients with “best case scenarios” that ignore predictable and probable delays, obstacles and hidden extra costs. These are “discovered” only when the project is so far advanced that the client cannot realistically abandon it.

In public, of course, building-trade professionals vehemently deny that such Machiavellian scheming goes on. In private, say the authors, they justify such practices by arguing that, if clients were given the true cost and duration in advance, they would be so horrified that virtually nothing would get built. And since it is generally agreed that projects as varied as St Paul’s Cathedral, the Brooklyn Bridge and the Channel Tunnel (all massively over budget) have improved the general condition of mankind, the end is deemed to justify the means — and the subterfuge.

There’s some truth in that. Our new kitchen *has* transformed our domestic lives, but had we known its true £50,000 cost in advance we would have briskly concluded “can’t afford it” and put up with the dingy old scullery for several more years.

Nevertheless, the *Megaprojects* authors take the stern, moralistic line that all clients — whether they are HM Government or R. D. Morrison — should be able to make decisions involving the vast expenditure of their own money on the basis of the most accurate, honest and complete information available. I agree. The question is: are builders and architects willing to supply us with that level of transparency? Or are we forever condemned — like poor old King Ozymandias — to look at their final bills and despair?

- *Anne Spackman is away.*

Copyright 2004 Times Newspapers Ltd.

This service is provided on Times Newspapers' **standard Terms and Conditions** . Please read our **Privacy Policy** . To inquire about a licence to reproduce material from The Times, visit the **Syndication website** .