



Top 50 Sources of Risks in Construction Projects

*If you don't invest
in risk
management, it
doesn't matter what
business you're in,
it's a risky
business.*

-Gary Cohn

The very nature of construction project unfolds myriad risks along the project lifecycle. This checklist is compiled to provide an outline to the major sources of risks for construction projects to be used during the risk identification process

Note: This is list of risk “sources” classified by category. Each source can give rise to several risks. Eg. within the source “Occupational Health and Safety” there could be over 100 different possible risks. During the Risk Identification process, it is essential to identify risks and impact of risks across these “sources”.





Project Management Risks

Unclear needs, objectives, or overall scope
Assumptions at planning stage
Lack of resources – skill / availability
Lack of planning time
Multiple project priorities
Scheduling conflicts
Over or under estimation in schedule/ budget
Too many decision-making stakeholders
Contractor selection process
Lack of effective monitoring and control
Ineffective use of PM software / tools
Too much or inadequate project documentation
Incorrect Methodology

Design Risks

Too many designs changes
Limited clarity on site conditions
Limited technical experience on similar project
Errors and Omissions in design
Errors in geotechnical investigations, structural design
Unsuitable material selection
Incorrect assumptions on utilities' capacity

Site Risks

Availability of utilities
Access and permissions to site
Geotechnical constraints
Level of groundwater
Topography
Weather conditions (not included in force majeure clause)



Force Majeure risks

Acts of God
Natural calamities and adverse climate
Economic, political and market changes
Regulatory changes
Labor union strikes

Contractor and supplier risks

Skill / Capability / Availability
Collaboration amongst sub-contractors during interdependent work
Material quality / unavailability
Equipment availability / breakdowns
Occupational Health and Safety
Limited knowledge on technical aspects, sustainability, certification requirements (e.g. LEED), environmental aspects
Working hours and space constraints

Contractual Risks

Wrong contract type
Errors and discrepancies in contract documents
Incorrect time and cost estimates
Ineffective document management
Not having / following proper change management process
Delayed / unpaid invoices
Cashflow management
Contractor / sub-contractor insolvency
Scope creep
Unapproved / undocumented change requests

Organizational and Political Risks

Differing perspectives on priorities and objectives
Skill / Availability of Resources

Complex Approval process

Organizational culture

Team attitude

Team performance

Political pressure

Social and Community Risks

Community resistance to the project

NGO resistance to the project

Environmental or special interest groups resistance to the project

Media coverage impacting public perception

Statutory Risks

Acquisition of land

Title Clearance and right of way

Impact on nearby communities and adjacent properties – noise, environmental impact, etc.

Approvals from Regulatory bodies



Want **corporate training solutions for your team or individual coaching** about Construction Risk Management or any aspect of Project Management, reach out to us at:
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Our experts are always happy to help you!