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**SOURCES OF RISK IN CONSTRUCTION PROJECT DEVELOPMENT**

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This dissertation report is prepared to fulfill part of the requirement for honouring of  
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## ABSTRACT

The main objective of report is to determine which risks are likely to affect a construction project development, comprise fundamental step in project risk management processes such as explained in the literature review. The potential risk sources should be identified at the early stage of a project development; it could avoid pitfalls by eliminating or minimizing the cause of the adverse events. This report presents the results of study aimed at identifying and categorizing risk elements in construction project development, and exploring strategies for eliminating or minimizing the identified risk sources.

Results show that sources of risks in construction project development could be categorized into controllable (mainly due to acts or omissions of internal stakeholders – client, consultants, main- and sub-contractors, and suppliers) and uncontrollable sources (macro and micro economics and global dynamics, legislative / statutory / political controls, *force majeure* and environmental constraints). Potential risk elements under each source are identified and prioritized in relation to their levels of impact. Effective strategies for efficient risk identification development are also identified.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 INTRODUCTION OF STUDY**

The development of a construction project is fraught with enormous risks (Ghosh and Jintanapakanont, 2004; Matthews, 2003; Mbachu, 2003). This is due to the uniqueness of every project, the uncertainties introduced by the project stakeholders, statutory or regulatory protocols and other intrinsic constraints.

Risk in the construction project development could constrain the achievement of the key project objectives – time, cost and quality targets. Inability to achieve set project objectives has far-reaching implications to all stakeholders in the project. Ghosh and Jintanapakanont (2005) said that; the risk could mean added costs over and above those originally agreed upon, and less returns on investment to the client. To the end-user, the increased costs or poor quality are passed on as higher prices, rental cost, prohibitive running and maintenance cost, etc. To the professionals, it could result in the loss of confidence reposed in them by clients. To the contractor, it could mean