

High-stakes real estate

When a project becomes too important to
manage the way you managed the last one





Not every corporate real estate project should be managed the same way. Some carry a level of consequence that requires a different approach — and knowing the difference, before the project is underway, is what this guide is about.

Part one

When a project changes

What makes a corporate real estate project high-stakes — and why the delivery environment has raised that bar.

Part two

How complexity shows up

A practical reference for what makes different project types, industries, and ownership structures harder to deliver.

Part three

What good delivery looks like

What strong Project Management (PM) delivers at each phase — and where the right partner makes the biggest difference.



Part one

When a project changes

Not every corporate real estate project demands the same level of oversight. Most are manageable — a lease renewal, a floor refresh, a small consolidation. They run on familiar approaches with trusted contractors and they work because the stakes are proportionate to the model.

Some projects carry a level of complexity, visibility, or consequence that changes what's required. And the delivery model thawed for the last ten projects is often wrong for this one.

There is no official threshold. But there is a pattern — and recognizing it before the project is underway is where the most important decisions get made.

What makes a project high-stakes

A high-stakes project isn't defined by square footage. It's defined by consequence.

It's the kind of project where the gap between a good outcome and a poor one is measured not just in cost but in business disruption, leadership credibility, and in some cases, regulatory standing. The consequences of getting it wrong extend well beyond the project itself:



A failed fit-out might cause inconvenience.



A failed HQ relocation can disrupt operations for months, damage employee trust, and end up in a board conversation.



A lab build-out that misses regulatory specification may never open — or reopen on a timeline that kills a product launch.



A mission-critical environment delivered without the right technical oversight can fail the moment it goes live.



A capital program on owned real estate where something goes wrong doesn't just hit the project budget — it affects an asset's long-term value.

A high-stakes project is one where the gap between a good outcome and a poor one is measured in business disruption, leadership credibility — and sometimes, whether something ever opens at all.

The signals to look for

The shift from routine to high-stakes is rarely obvious upfront. These are the signs that should give pause.

- **The project has executive attention.** When the C-suite or board is watching, the tolerance for surprises drops to near zero. The pressure doesn't stay in the project — it finds the person responsible for it.
- **There's a hard deadline you didn't choose.** Lease expirations, capital cycles, corporate consolidations, and regulatory deadlines create fixed endpoints that compress planning time.
- **People are still working in or around it.** Delivering in a live environment multiplies coordination complexity. It raises the stakes if something goes wrong with timing or safety. One disrupted floor can affect the whole building's confidence in the project.
- **It requires knowledge your current model doesn't carry.** Cleanrooms, trading floors, highly automated distribution environments, data-dense spaces, and new compliance settings need Project Management (PM) expertise that most generalist models simply don't have.
- **It spans more than one location.** A multi-site program needs a governance layer above the individual project managers. Without it, accountability dilutes, cost benchmarks diverge, and the consistency of outcome that gave the first site its value gets quietly lost.

The delivery environment has raised the stakes

There's a dimension to project risk that most organizations aren't fully factoring in right now. Not the project itself. The market around it.

A project that would have been manageable with a familiar approach a few years ago may not be today. According to [JLL's latest U.S. Construction Perspective](#), costs have risen significantly and continue to rise at an uneven rate. The average medium-quality corporate office fit-out in the U.S. and Canada now runs approximately \$295 per square foot¹ with year-over-year escalation ranging between 3% and 10% depending on market.² **At that rate, a 5% overrun on a 100,000 sq. ft. project is \$1.5 million in spending nobody planned for.**

Materials are under further pressure. Current estimates put aggregate price increases at around 8% above 2024 levels with specific materials potentially seeing increases of 5–25% depending on how tariff policy develops.³ Projects entering pre-construction now should be budgeting for escalation that current contractor quotes very likely don't yet reflect.

Labor is tighter than it looks. Construction employment is growing at an estimated 0.2% in 2026 — effectively flat.⁴ Contractor capacity is the binding constraint for most delivery timelines through 2027. The geographic spread has also widened: the gap between gateway markets and more competitive regions has grown, meaning a standardized national approach will almost certainly produce inconsistent results.

Technology infrastructure adds another layer. Costs related to smart building capacity, data infrastructure and AI-driven building systems now represent 10–12% of total fit-out cost — and those costs rose 8% year-over-year in 2026, driven by hardware constraints and elevated specification requirements.⁵



What this means in practice

The financial exposure of a poorly run project is higher than it's been in a long time — and the conditions that create overruns are more present, not less. A project that qualified as manageable risk under previous market conditions may need a different level of governance today. That's not a reason to delay. It's a reason to be deliberate about how it's set up.

¹JLL. U.S. and Canada Office Fit-Out Costs Guide 2026. Average medium-quality corporate office benchmark, p.2.

²JLL. U.S. and Canada Office Fit-Out Costs Guide 2026. Year-over-year escalation range, p.2.

³JLL. 2026 U.S. Construction Perspective. Material price increases and tariff estimates, p.5.

⁴JLL. 2026 U.S. Construction Perspective. Construction employment growth estimate, p.6.

⁵JLL. U.S. and Canada Office Fit-Out Costs Guide 2026. SITAV costs as percentage of total fit-out and year-over-year increase, p.7.



Part two

How complexity shows up

Not all complex projects are complex in the same way. Understanding how complexity varies — by project type, industry, and ownership structure — is what allows you to size the right delivery approach before you're committed to the wrong one.

Complexity by project type

The matrix below maps six common CRE project types against what makes them complex, their risk profile, and where standard delivery tends to fall short. If an upcoming project sits in one of these rows, it's worth asking whether your current setup was built for that profile.

Project type	What makes it complex	Risk profile	Where standard delivery falls short
Office fit-out/ workplace refresh	Multi-vendor coordination; phased occupancy; live-environment delivery; brand alignment	Medium — cost creep; business continuity disruption	Scope creep without a governance layer; supplier selection not competitive; no single point of accountability
HQ relocation/ consolidation	Lease event pressure; change management; IT/AV/security integration; executive visibility	High — reputational risk; leadership exposure; employee disruption	Internal teams stretched across strategy and delivery simultaneously; PM partner may not have governance infrastructure this scale requires
High-stakes lab/ R&D build-out	Cleanroom specification; MEP complexity; regulatory compliance (GMP/BSL); long-lead equipment procurement; qualification milestones	Very high — compliance risk; irreversible build decisions; unrecoverable failure modes	Standard workplace PM firms rarely carry lab-specific expertise. Getting it wrong here isn't a budget problem. It's a procurement problem
Campus modernization (owned asset)	Multi-phase capital planning; occupied facility constraints; asset lifecycle management; sustainability targets	High — capital governance; phasing risk; long-term asset value	Capital oversight needs exceed what standard PM provides; supplier leverage at portfolio scale isn't available to smaller models
Multi-site/ National rollout	Program governance across markets; local contractor management; consistency of outcome; cross-region cost variance	Medium-high — coordination complexity; diluted accountability; market variability	A Program Management (PM) layer is needed above individual project PMs; local market expertise must sit alongside central governance
Mission-critical/ data-dense environments	24/7 operational constraints; technology infrastructure complexity; specialist contractor availability; zero-downtime delivery requirements	Very high — cost of failure exceeds most project budgets; any disruption has immediate operational and financial consequences ⁶	Standard PM doesn't account for the operational cost of delivery errors in live environments; mission-critical delivery requires specialist sequencing and vendor management

⁶JLL. 2026 U.S. Construction Perspective. Data center and infrastructure sector performance, p.4.

A note on market variability

For multi-site programs: The same specification can produce costs that vary by up to 12% across typologies in the U.S. and Canada — and by up to 35% when you also account for variation in finishes⁷. A national rollout using a standardized cost baseline without local market intelligence will produce budget surprises. The right approach pairs central governance with genuine local expertise.



Owned vs. leased: Why it changes the equation

For organizations where more than half the portfolio is owned space — and that describes the majority of industrial, manufacturing, and life sciences companies — a workplace project is simultaneously a capital investment decision, an asset management question, and a delivery challenge. Managing it the way you'd manage a fit-out in a leased building misses two-thirds of the picture.

Cost overruns don't stop at the project budget.

On an owned asset, they affect the long-term value of the building and reshape future capital planning cycles. A PM partner who thinks about construction delivery, but not capital governance isn't fully set up for this type of work.



You're almost always building around people.

Owned campuses are rarely empty. Delivery has to work around occupied spaces, keep the business running, and hand over in phases — all of which requires a governance model that a standard fit-out PM often isn't equipped to provide.



Supplier relationships have a longer tail.

In a leased space, the project ends at handover. On an owned asset, supplier quality, warranty coverage, and long-term maintenance relationships extend well beyond delivery. That changes how procurement needs to be approached from day one.



The value is created upstream, not at handover

On a complex owned-asset build, the biggest financial decisions get made before the first line is drawn. A well-structured PM engagement can deliver cost savings through diligent bid and change order management if cost governance is built in from the start.



⁷JLL. U.S. and Canada Office Fit-Out Costs Guide 2026. Cost variance by typology and finishes, p.6.

Part three

What good delivery looks like

When project management is working well, it's mostly invisible. The project lands on time and on budget. Your attention moves on to the next thing.

When it isn't working, the board notices. The employees who can't move in on the date they were promised notice. And the person who owns the project is the one fielding the calls.

Good delivery on a high-stakes project isn't one moment of risk. It's a sequence of decisions where the right setup either reduces or compounds the exposure at each step. The difference between a project that goes well and one that becomes a problem is almost always determined before construction starts.

When to bring in a specialist PM — and what 'early' actually means

The single most consistent piece of advice from CRE leaders who have delivered high-stakes projects well is the same: get the right PM partner involved before you're committed.

The diagram below maps a typical CRE project lifecycle. A Specialist Project Manager adds the most value from site selection onward — when location decisions, cost baselines, and procurement strategies are still being shaped. By the time a brief is locked and design has started, the biggest financial levers have already been pulled.



Site selection (ideal)

A PM partner engaged this early can provide independent cost intelligence during the location shortlist process, flag buildability risks before heads of terms are signed, and shape the brief around what a site can actually deliver.

Heads of terms

A PM partner engaged here can still influence the cost baseline, negotiate tenant improvement allowances that reflect true build costs, and ensure the program is realistic before it's contractually embedded.

Brief development (latest acceptable)

The location is fixed and commercial terms set. There is still significant value to be added — particularly in procurement and contractor selection — but the decisions that most commonly cause overruns have been made.

Design or construction start (too late)

A PM engaged after design has started is managing the consequences of decisions they had no part in. The options for course-correction are expensive.

The five phases where the right partner makes the biggest difference

	Phase	What happens here	Risk if undermanaged	What good looks like
	01 Advisory and planning	Site assessment; brief development; cost benchmarking; procurement planning; project scheduling	Brief gets locked before the cost reality is understood. Scope creep starts at design. The budget baseline is built on optimism, not evidence.	The right PM partner gets involved before the lease is signed. Understanding what a space will cost to build out, what the timeline really requires, and what risks a site carries before you're committed to it.
	02 Pre-construction	Design management; detailed estimating; contractor procurement; permits; risk planning	Lowest-cost bids get selected over best-fit ones. Risk isn't identified until it's already in motion. Contingency gets consumed before construction begins.	A well-structured PM partner brings a pre-vetted supplier network, runs a genuine competitive procurement process, and passes savings directly to the client.
	03 Construction delivery	Project governance; cost control; contractor coordination; quality assurance; safety compliance	Budget overruns from unmanaged scope changes. Delays from contractor disputes. No single party with clear accountability for the outcome.	One accountable team. Real-time cost and project tracking. A governance model that catches problems before they hit the schedule.
	04 Handover and occupancy	Commissioning; snagging; landlord sign-off; IT/AV/security coordination; move management	Incomplete snagging creates post-occupancy costs. Move delays disrupt the business at exactly the moment it's trying to move forward.	Dedicated handover governance and move management. The right PM partner has a consistent on-time delivery record and treats handover as a milestone to be engineered, not hoped for.
	05 Post-occupancy review	Performance benchmarking; lessons learned; warranty tracking; forward capital planning	No feedback loop. Warranty claims get missed. The next capital project starts from scratch repeating preventable mistakes.	Final evaluation integrated with the ongoing account relationship — so what was learned feeds into the next capital project.

Why procurement is where financial value shows up most clearly

On routine projects, the difference between a well-run procurement process and a familiar one is real but modest. On high-stakes work — the kind this guide is about — it can be the difference between a project that delivers on its brief and one that doesn't.

- 01 Pre-vetted supplier relationships.** A specialist PM with an established supplier network brings pre-assessed contractors to the table — organizations that have already been evaluated for capacity, insurance, and technical capability. That removes one of the most consistent causes of mid-project delays: discovering too late that a contractor isn't set up for the work. [On Zynga's 60,000 sq. ft. relocation](#), this approach delivered a 30% reduction in construction costs alongside a year of free rent and above-market tenant improvement allowances.
- 02 A genuine competitive process.** The difference between a well-run competitive tender and selecting a familiar contractor can be 10–20% of construction cost. A PM partner with real procurement infrastructure runs an actual process, not a formality.
- 03 Long-term supplier accountability.** In a leased space, the project ends at handover. On an owned asset, supplier quality and warranty coverage matter well beyond delivery. A good PM partner structures procurement with that in mind from the start.



Questions to ask when evaluating a specialist PM partner

Not every PM firm is built for every type of project. When evaluating a partner for something high-stakes, the right questions are about evidence, not claims.



Have they done this before?

Ask for case studies from the same industry and the same type of project. Not adjacent. The same. Past delivery on similar work is the best indicator of future delivery on yours.



Is there one person accountable? A single accountable team — not a network of subcontractors managed at a distance — is the foundation of on-time on-budget delivery. Know who is responsible. Know how problems get escalated.



Do they want to be involved before the brief is locked? A good PM partner will want to be in the room before the lease is signed. If they're only willing to start once design is done, pay attention to that. The biggest financial decisions get made upstream.



Do they govern cost or just track it? There's a real difference. Ask how scope changes are handled, how contingency is managed, and what happens when the budget comes under pressure mid-construction. Tracking a problem and preventing one are not the same thing.



Is their supplier network genuinely competitive? An established supplier program is different from a list of contractors someone has worked with before. Ask specifically how procurement works. Ask how savings are passed on. Then ask to see the numbers.

The organizations that consistently get complex projects right don't rely on luck or last-minute heroics. They put the right delivery model in place before the project starts — while there's still room to shape the outcome.



One more thing

The projects that go well at this level of complexity almost always had the right setup in place before anything was committed. The brief was pressure-tested. The costs were benchmarked against current market reality — not last year's assumptions. A PM partner with the right expertise was in the room before the lease was signed.

If you have that project on the horizon — the one you already know is different — it's much easier to get the setup right before you're committed than to fix it once you are.

Learn more about [JLL's Program and Project Management Services](#).



Related resources



U.S. Construction Perspective (2026): Current conditions across the construction market — labor availability, material costs, tariff impacts, and regional outlook. Essential context for project planning and budget-setting. JLL Research.



U.S. and Canada Office Fit-Out Cost Guide (2026): Cost per square foot by market and project type with current escalation benchmarks. The practical reference for building a realistic budget before a brief gets locked. JLL Research.



JLL case studies: Real delivery examples across fit-outs, campus modernizations, and specialist projects — including Zynga (60,000 SF relocation; 30% construction cost reduction) Advantis (\$2.1M in cost savings; HQ campus consolidation) and Digi-Key (\$20M in value engineering savings; 2.4M SF automated distribution center).



About JLL

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