

10 Trends Impacting Commercial Construction Litigation in 2024

A Construction Industry Thought Leader's Outlook On 2024 Trends Impacting Construction Litigation

PHILADELPHIA, PA, USA, January 28, 2024 /EINPresswire.com/ -- "After beginning an economic

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*James Gallagher, P.E., F.ASCE,
Principal, Resolution
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comeback in 2022, 2023 appeared to be on track to become an even stronger year for the commercial construction industry in the U.S. . . . and then inflation and rising interest rates happened, triggering an industry slowdown. For 2024, our analysis points to an economy continuing to be flat or even to slow further, as new projects become more unaffordable,” says construction management thought leader James Gallagher, Principal at Resolution Management Consultants, Inc. “However, the industry slowdown in project starts will most likely not slow down the pace of construction-related disputes and litigation, as companies strive to cut costs, extend timelines and stretch payables,” observes Gallagher.

Gallagher expects the following trends to have the greatest impact on commercial construction litigation in 2024:

1) Growing reliance on artificial intelligence (AI) in construction will lead to more disputes and litigation.

Artificial intelligence is a hot topic in 2024. Its use will grow in 2024, including use by construction companies and construction attorneys. Although in some ways, AI can be helpful as a guide or initial drafter, expanded reliance on artificial intelligence has the potential to increase the number of disputes and litigation due to its technological and experiential limitations and shortcomings.

2) Growth in utilization of “game theory” in construction planning and management.

The age-old question, anticipating “what if”, is a key to project success in construction planning and management. 2024 will see growth in the number of projects that use advanced computer modeling, like Deltek, to be able to plan for positive and negative outcomes using an infinite

number of scenarios. Those who adopt these advanced techniques will dramatically limit the number of disputes they will face.

3) Greater reliance on KPI's and digital record keeping.

There will be growing focus on improving KPI (Key Performance Indicators) management. Use will not only improve overall project performance and profitability, it will also reduce legal challenges since the records are confirmed for all parties to review. Can we say that in 2024, hand-written change orders may be (finally) headed towards extinction?

4) Skilled labor availability will grow as a source of disputes and litigation. In 2024, a growing percentage of all construction disputes will relate to personnel and personnel issues, including skill quality, concern relating to the pandemic and diversity issues.

5) Expert reports will grow in impact on dispute resolution in 2024.

Expert witness reports and interrogations will become even more important as experts are called upon, earlier in the dispute, to provide testimony. A growing percentage of legal disputes, in 2024, will settle after reviewing expert reports, because going to litigation has become so costly and takes so much time.

6) Greater reliance on sensors and video to provide evidence of performance and payment. Just like with KPI's, there will be growing focus on utilizing sensors and videos to monitor and record activity on a job site, including level of completion. The use of sensors & video offers the potential to reduce disputes, since outcomes are recorded and help reduce "gray areas" related to the dispute.

7) Rising interest rates will slow the number of new projects.

In theory, having fewer new project starts should reduce the number of disputes. However, in 2024, we predict that the number of disputes will rise as companies strive to cut costs, extend timelines and stretch payables during these tightening economic times.

8) There will be greater use of robots & robotics in construction, but will this quell disputes?



James Gallagher, P.E., F.ASCHE - Principal, Resolution Management Consultants, Inc.

Construction craftsmanship likely will improve with the increasing use of robots and robotics to handle the tasks. However, the cause of disputes will continue to shift from quality issues to those relating to time/deadlines, payment and personnel issues.

9) A shortage of skilled labor will result in those less skilled handling tasks and management. Although we see an increase in use of robots and artificial intelligence in construction in 2024, it still has a long way to go. Meanwhile, inconsistencies in staffing, skill quality and performance will continue to be a source of disputes and litigation this coming year.

10) Interpretation and implementation of health and safety rules & laws will be a prominent source of disputes and litigation.

2024 promises to be a year where even more safety and health regulations will be passed. The ambiguity and inconsistency in Federal, state and local health and safety laws, rules and guidelines will lead to an increase in the number cases filed, especially those relating to health and safety compliance.

“Over the last few years in construction, disputes and litigation have been influenced by powerful, unanticipated, outside affects disrupting contract expectations. In 2024, many of these outside influences have mitigated, however disputes and litigation will continue to increase as firms struggle to adapt new technologies, in the midst of a contracting economy.” said Gallagher.

About Resolution Management Consultants, Inc.

Resolution Management Consultants, Inc. (RMC) is a nationally recognized consulting firm headquartered in Marlton, NJ. There are two sides to the business: the construction planning and management aspect – helping clients build more successful projects – and the litigation aspect – should matters go to court, providing analysis and testimony as expert witnesses. Founded in 1993 by veterans in the construction, contracting and engineering professions, RMC has assisted numerous private owners, public agencies and contractors in either achieving project goals or resolving cost and time disputes between the contracting parties.

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