



Mike Keester: The Coronavirus Is Delaying a Construction Project. What Does Your Contract Say?

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There was already a shortage of labor in the construction industry before the arrival of the coronavirus. Now that it is here, that shortage will likely become even worse. The cost of materials had been rising before the arrival of the coronavirus. Now that it is here, developers can expect more of the same, as well as some difficulty in even getting their hands on these materials as supply chains dry up in Asia. The upshot to these trends? Construction project delays that could put developers in default of their contracts.

Now is the time to re-examine those contracts to see what exactly they have agreed to, says Michael Keester, a shareholder/partner at the national law firm Hall Estill in its Tulsa office.

“Construction projects always have a ‘time for completion’ component and many contractual provisions may certainly come into play in any construction project which is affected by labor shortages from the coronavirus,” he says. “Most construction contracts for large projects, including the typical AIA forms, have provisions making time of essence to the contract and certainly the scheduling of the contractor’s work is of utmost importance to most contracts.

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