# Article information:

What are Liquidated Damages in Construction Contracts - Sihela Consultants  
<https://sihelaconsultants.com/liquidated-damages-in-construction-contracts/>

# Article summary:

1. Liquidated damages in construction contracts are not penalties imposed on contractors, but rather pre-determined amounts agreed upon by both parties to cover potential losses if the project is not completed on time.

2. The amount of liquidated damages is determined based on the possible losses incurred by the employer, such as rental costs and loss of income, and can be calculated per day or per week.

3. Contractors can avoid deduction of liquidated damages by submitting Extension of Time (EOT) claims for delays caused by valid reasons beyond their control, such as adverse weather conditions or variations in the project.

# Article rating:

Appears strongly imbalanced: The article is written in a biased or one-sided way, and the information it provides is not trustworthy enough to be considered a reliable source. You should consult other sources to find reliable information on the presented issues.

# Article analysis:

The article titled "What are Liquidated Damages in Construction Contracts" provides a basic overview of liquidated damages in construction contracts. While the article does provide some useful information, there are several areas where it lacks depth and fails to address potential biases or counterarguments.

One potential bias in the article is the emphasis on the perspective of the employer. The author repeatedly mentions that liquidated damages are beneficial for employers to recover their losses, but fails to explore the potential negative impact on contractors. It would have been helpful to include a discussion on how liquidated damages can sometimes be unfair or disproportionate, especially if they are set at a high rate.

Additionally, the article does not provide any evidence or examples to support its claims about the benefits of liquidated damages. It simply states that they save time and money without providing any real-world examples or data to back up this assertion. This lack of evidence weakens the credibility of the article and leaves readers questioning its validity.

Furthermore, the article does not address any potential risks or downsides of using liquidated damages in construction contracts. For example, it does not mention that setting an excessively high rate for liquidated damages could potentially bankrupt a contractor or discourage them from taking on future projects. By failing to acknowledge these risks, the article presents a one-sided view of liquidated damages that may not accurately reflect their true impact.

Another issue with the article is its promotion of Sihela Consultants, which is mentioned multiple times throughout the text. While it is understandable that a consulting firm would want to promote their services, this promotional content detracts from the overall objectivity and impartiality of the article.

In terms of missing points of consideration, the article does not discuss alternative methods for addressing delays in construction projects. For example, it could have explored other options such as granting extensions of time or negotiating revised deadlines instead of resorting to liquidated damages. By failing to consider these alternatives, the article presents liquidated damages as the only solution to project delays, which may not always be the case.

Overall, while the article provides a basic overview of liquidated damages in construction contracts, it lacks depth and fails to address potential biases or counterarguments. It would have been beneficial to include more evidence, explore alternative solutions, and present a more balanced view of the topic.

# Topics for further research:

* Alternative methods for addressing delays in construction projects
* Disadvantages of liquidated damages in construction contracts
* Impact of high liquidated damages rates on contractors
* Examples of real-world cases involving liquidated damages in construction contracts
* Potential risks of setting excessively high liquidated damages rates
* Comparing liquidated damages to other forms of compensation for project delays in construction contracts

# Report location:

<https://www.fullpicture.app/item/f7369bb1b37e0f8a524d9175c0ec7069>