What are Consequential Damages on a Construction Contract?

When a party breaches a contract and the contract does not contain a valid liquidated damages clause, the non-breaching party may be entitled to compensatory damages. **Charles B. Jimerson** and **Kayla A. Haines** of Jimerson & Cobb, P.A. explain that the appropriate measure of damages arising from a breach of an enforceable contract is usually "the difference between the value expected from the contract and the value actually received by the non-breaching party."

In **their article**, they write: "Many factors can impact the recoverability of consequential damages, such as common law implied warranties, or indemnity provisions. Therefore, when entering into a construction contract, parties should carefully evaluate the proposed contract language to fully comprehend the risks they are about to assume. In order to prevent any extensive consequential damages that might result from a construction project, parties should use whatever power they may have while creating their contract to predestine certain expenses that a party would incur in the event of pervasive defects or significant project delays."

Read the article.