

## PRESS RELEASE

**POLISH BUILDERS SEEK CLAIM MANAGEMENT OPTIONS AS MARKET TIGHTENS**

**Warsaw, 6 July 2018 – Shortages of construction workers are combining with rising wages and materials prices to put pressure on Poland’s booming construction market, leading to tension between investors and general contractors and prompting them to explore new forms of dispute resolution, according to participants in a panel discussion organized by Wolf Theiss and moderated by a journalist from *Rzeczpospolita*, Poland’s biggest economic daily.**

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Panelists from leading developers, contractors and project managers agreed that the new market conditions are challenging and may lead to renegotiation of contracts, potential financial problems of contractors, and compression of margins. These issues, among others, have increased the complexity of claim management.

“In private investments, we can see that emphasis is being placed on alternative forms of dispute resolution rather than court cases. Private investors prefer settlements and, if they are forced to proceed with litigation, they prefer arbitration over a court dispute,” said Grzegorz Skowroński, counsel at Wolf Theiss Warsaw. “It doesn’t pay for investors to get bogged down in cases that can drag on for years. On commercial projects, delays mean payment of penalties to the tenants who are waiting to move in. Moreover, a dispute with the contractor means that work may be suspended which means further delays and increased costs to bring on a substitute contractor.”

Poland is not alone in facing these problems, according to Thomas Anderl, a member of the real estate and construction team and Partner at Wolf Theiss in Vienna. “In Austria we have a problem with specialized workers,” said Thomas Anderl. “For instance, there are a lot of tunnel projects in Austria and across Central Europe, and we are observing a limited availability of workers. This will inevitably lead to higher prices on specialized construction contracts.”

Thomas Anderl also stressed that in the case of disputes, private investors and contractors in Austria prefer arbitration over litigation. “In Austria, the approach in the public sector is to have court litigation in the case of a dispute, but in the private sector we have a tendency toward arbitration,” he said. “The idea is to have a dispute dealt with during the project and not to go to court later on. Accordingly, we use mediation procedures and dispute boards,” added Thomas Anderl.

The panelists also discussed the benefits of building information modelling (BIM) technology to support cost, construction and project management and reduce the potential for disputes arising from design errors.

Participants in the debate included representatives from local branches of Eiffage, Europtmima CEE, Ghelamco, GTC, Immobel, Rewitech and Polish Association of Developers.

Please see link to the the article published by *Rzeczpospolita*, on 6 July 2018 [link](#)

## ABOUT WOLF THEISS

Wolf Theiss is one of the leading European law firms in Central, Eastern and South-Eastern Europe with a focus on international business law. With 340 lawyers in 13 offices located in Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine, Wolf Theiss represents local and international industrial, trade and service companies, as well as banks and insurance companies. Combining law and business, Wolf Theiss develops comprehensive and constructive solutions on the basis of legal, fiscal and business know-how. For further information please contact:

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