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# AI and Construction Law in 2025

19 June 2025

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# What's your view?

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*AI will either be the best or worst thing ever to happen for humanity...*



Stephen Hawking, 2016

*AI is no less important than the discovery of electricity...*



King Charles III, Nov 2023

*Over the next decade, humans will no longer be needed for most things...*



Bill Gates, Feb 2025

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# Today's Agenda

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- Introduction to the tech
- AI in project delivery – opportunities and legal risks
- AI in dispute resolution – opportunities and legal risks
- Questions

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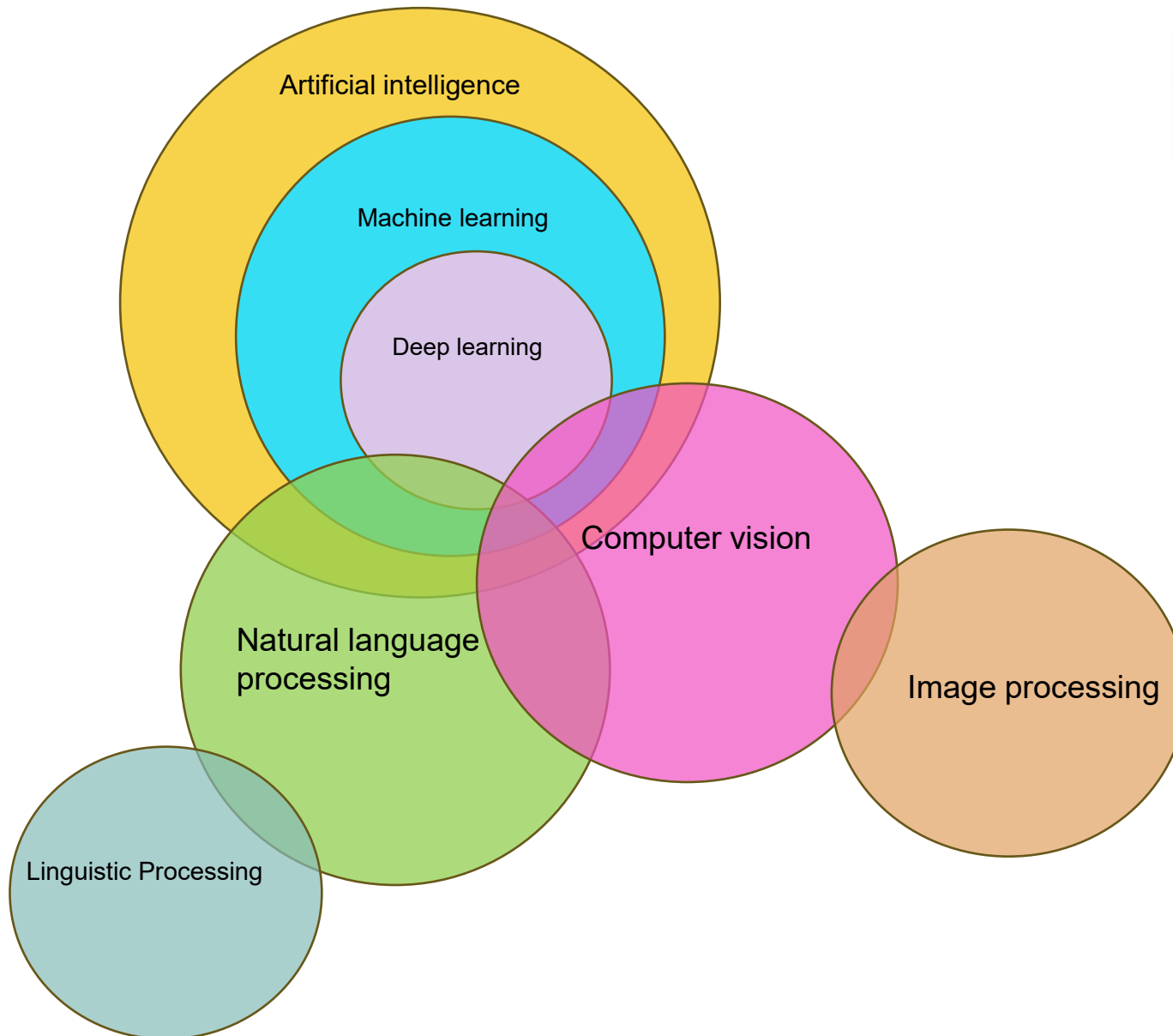
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**The tech**



# The tech

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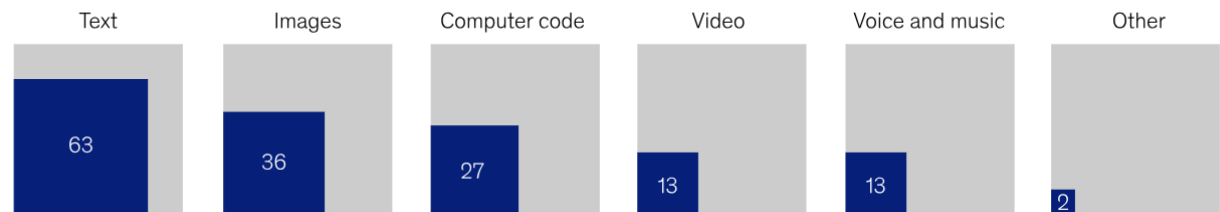
# The tech

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**While text is the type of content that organizations are most commonly creating with gen AI, they are also experimenting with other modalities.**

**Types of content generated by gen AI at respondents' organizations,<sup>1</sup>% of respondents**



<sup>1</sup>Only asked of respondents whose organizations regularly use gen AI in at least one function. Figures were calculated after removing the respondents who said "don't know."

Source: McKinsey Global Survey on the state of AI, 1,491 participants at all levels of the organization, July 16–31, 2024

McKinsey & Company

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# The tech - adoption

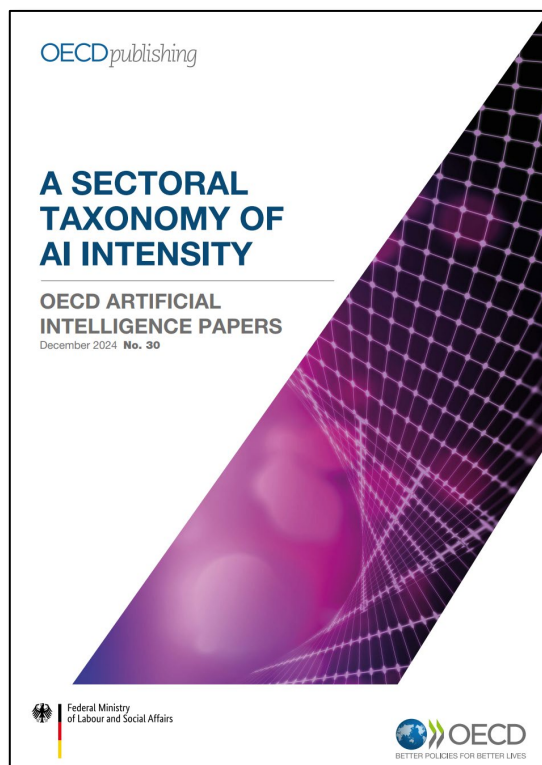


Figure 2.10. Share of firms using AI by sector, 2021 and 2023

Number of firms using AI technologies as a share of all firms with at least 10 employees, EU27, Norway and Türkiye



Note: This figure shows the percentage of firms using AI in a given sector, which is the number of firms with at least 10 employees using any AI technology relative to all firms of the same size in a specific sector. Only sectors for which the AI intensity taxonomy is constructed are displayed, i.e., manufacturing (excluding coke & petroleum), construction and business services. Sector-specific values are weighted averages over the years 2021 and 2023 and EU27 (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, and Sweden), Norway and Türkiye, where the aggregate of EU27 was given a weight of 27/29, and Norway and Türkiye 1/29 each.

Source: Eurostat, [https://doi.org/10.2908/ISOC\\_EB\\_AIN2](https://doi.org/10.2908/ISOC_EB_AIN2)

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# AI in Project Delivery





# Opportunities: project lifecycle

## Project Identification

- **Site selection:** analyse geographic, economic and environmental data
- **Feasibility studies:** assess market demand, regulatory requirements and risks
- **Trend analysis:** identify emerging trends in infrastructure needs

## Procurement

- **Supplier/bid selection:** evaluate supplier performance, cost, and compliance
- **Cost prediction:** forecast material and labour costs and assist with budgeting
- **Risk assessment:** identify risks in performance, cost and/or delay

## Construction

- **Monitoring progress:** the use of drones and other technology to track progress
- **Health & Safety:** detection of hazards on site in real time to reduce accidents and increase compliance
- **Handover documentation:** automating the creation of as-built documents

## Stakeholder Engagement

- **Stakeholder mapping:** identify key stakeholders and their interests and influence
- **Sentiment Analysis:** evaluate public sentiment to gauge support or resistance
- **Chatbots:** provide information and gather feedback from stakeholders

## Contract Management

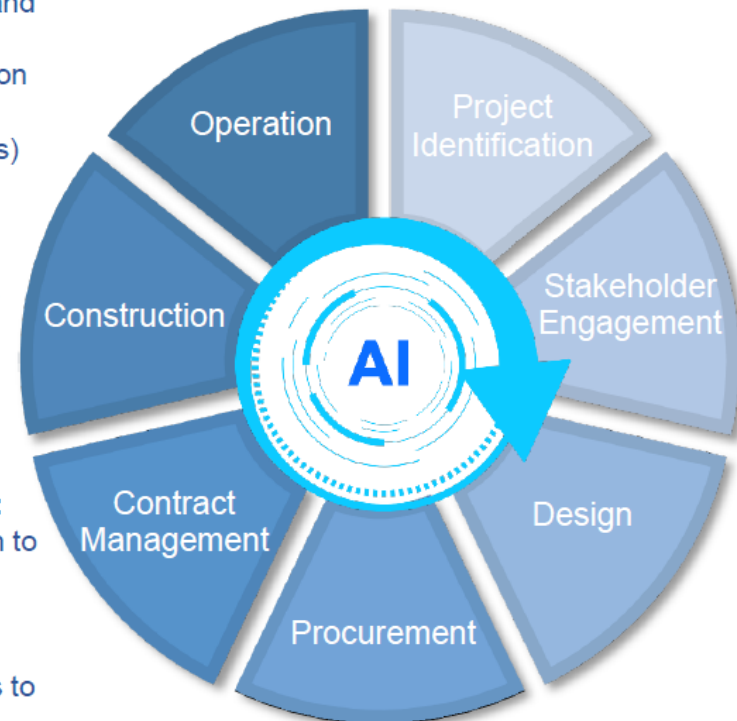
- **Contract analysis:** review and analyse contracts for compliance and administration
- **Risk monitoring:** track key performance indicators (KPIs) and contract obligations
- **Automated reporting:** generate real-time reporting on progress and compliance

## Operation

- **Predictive maintenance:** monitoring assets to predict and prevent failures
- **Performance optimisation:** analyse energy consumption to adjust usage and achieve savings
- **Usage analytics:** track behaviour and usage patterns to optimise asset performance

## Design

- **Generative design:** generate options for optimising design factors (eg cost, sustainability)
- **Clash detection:** AI-enabled BIM to analyse potential clashes prior to construction
- **Energy modelling:** predict energy performance and optimise design



# Opportunities: project lifecycle

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Press release

## **PM unveils AI breakthrough to slash planning delays and help build 1.5 million homes: 9 June 2025**

Planning permissions will be sped up as the Government rolls out a new AI tool which can scan hundreds of files in seconds – making it easier to make home improvements, while turbocharging the Plan for Change milestone to build 1.5 million homes.

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# Opportunities: project lifecycle

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## Contract management & contract analysis

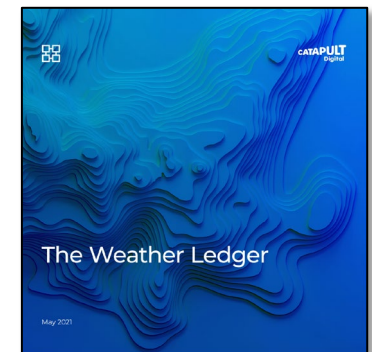
- Review large volumes of contract documents
- Contract administration
- Smart contracts

### **The Weather Ledger (Digital Catapult)**

IoT and distributed ledger technology to automate the execution of weather-related clauses in standard NEC contracts.

Sensors are used on site, data and databases collected and connected.

Not automation of the entire of the contract, but rather elements of the weather-related clauses using blockchain and smart contract technology.



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# Opportunities: project lifecycle

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What do you want the tech to do?

- What outcome are you looking for?
- What data do you have?
- Buy or build?



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# Opportunities: project lifecycle

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## Data, data, data...

- Access to data – control of the data
- Type, quality & quantity of data
- Accuracy & reliability of data
- Data privacy & confidentiality
- Intellectual property – right to use
- Cybersecurity
- Data sovereignty

### The data...

*Drone and video footage, photos, texts, WhatsApp, Slack, emails, Teams chats, BIM models, contracts, sub-contracts, sub-sub-contracts, specifications, schedules, site diaries, turnstile/biometric clocks, CDE, shared project platforms, timesheets, asset databases, electronic invoicing and payment records, weather records, correspondence, order forms, social media, programmes, etc...*

### KPMG

**Global Construction Survey 2023**

*"Become data masters..."*



# Opportunities: project lifecycle

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## Data, data, data...

- ***Trant Engineering Limited v Mott MacDonald Limited*** (2017)
  - **Right to access the data** (CDE) if not paid?
- ***Premier Engineering (Lincoln) Limited v MW High Tech Projects UK Limited*** (2020)
  - **Conflicting data:** what data should be used to value the works?
- ***Jaevee Homes Ltd v Mr Fincham (t/a Fincham Demolition)*** (2025)
  - **Identifying data:** what terms (documents/comms) formed the contract?
- ***Getty Images v Stability AI*** (ongoing)
  - **Claims of copyright infringement**, database right infringement, trademark infringement...

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# Legal risks

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- Contracting for AI
- Interacting with other legal regimes – the golden thread?
- Establishing liability if things go wrong

# Contracting for AI

Training data  
and access to  
new training  
data

The  
requirements

Warranties and  
standards

Circuit breakers  
or roll-backs

Training

Explainability

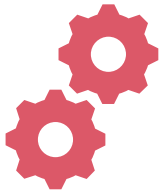
Record and  
audit rights

Logging by  
design

Limitations and  
exclusions of  
liability

# Explainability

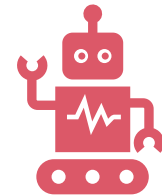
## SCL model terms



C1.13 The Supplier will ensure that the AI System is designed, developed and tested in a way which ensures that its operation is sufficiently transparent to enable the Customer to understand and use the AI System appropriately. In particular, the Supplier will produce to the Customer, on request, information which allows the Customer to understand:



C1.13.1 the logic behind an individual output from the AI System; and



C1.13.2 in respect of the AI System or any specific part thereof, which features contributed most to the output of the AI System, in each case, in accordance with Good Industry Practice.



## Building Safety Act 2022

CHAPTER 30

# Establishing liability

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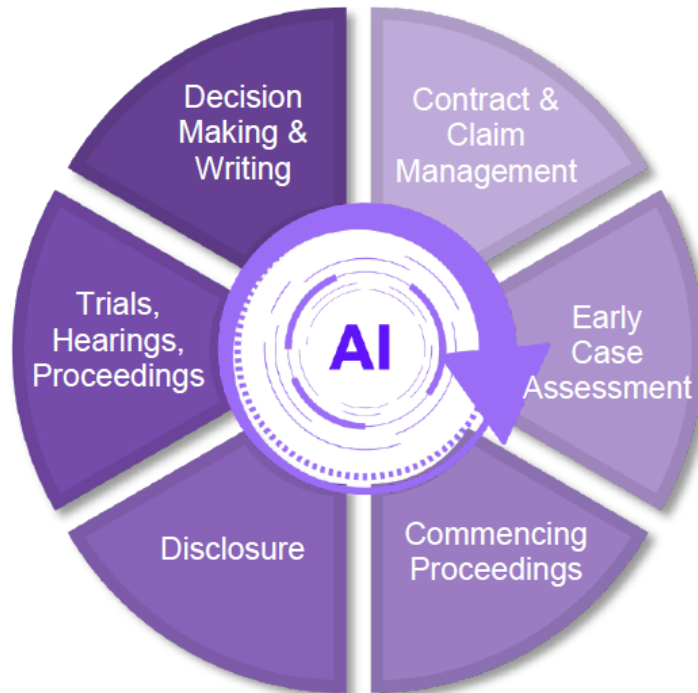
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# AI in Dispute Resolution





# Opportunities: dispute resolution



## Contract & Claim Management

- **Contract review & drafting:** analyse contracts for compliance / risk assessment
- **Predicting claims:** analyse patterns in project data and contract terms to predict potential claims
- **Contract admin & monitoring:** track adherence to obligations, notification of possible breaches

## Commencing Proceedings

- **Drafting pleadings:** assistance with drafting claims, defences, boilerplate sections, etc
- **Jurisdiction or tribunal selection:** analyse prior judgments and rules to recommend the best forum or tribunal
- **Strategy:** analyse opponent's case and suggest possible strategies and arguments

## Trials, Hearings & Proceedings

- **Real-time document analysis:** provide instant summaries, insights and counter-arguments in real-time during proceedings
- **Transcription and summarisation:** real-time data to assist in efficiency and preparation in proceedings

## Early Case Assessment

- **Legal research:** AI-assisted legal research on legislation, case law and guidance, within legally trained models and databases
- **Automated chronologies:** extraction of key dates and events from documents
- **Assess position:** evaluate large data sets of project data (emails, reports, schedules, etc) to determine liability, etc
- **Evidence review:** classify project data, surface insights and identify key documents
- **Outcome prediction:** estimate likely outcomes and settlement ranges based on precedent cases and analytics

## Disclosure

- **e-Disclosure:** tools to expedite the document review process, identifying relevant and not relevant documents
- **Privileged documents:** flagging potentially privileged documents for review
- **Data visualisation:** visual representations of patterns in data/documents to surface insights or identify key events or parties

## Decision Making & Writing

- **Drafting:** suggested text for awards or judgments based on prior rulings and relevant case law
- **Predictive outcomes:** offering insight on similar disputes
- **Streamline judicial process:** categorising cases and extracting data to bring more cases to a faster resolution and address backlog issues

# Opportunities: dispute resolution

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- Legal research
- Drafting
- Summarisation
- Preparing chronologies
- Analysing data
- eDisclosure

- *Do more in less time*
- *Get to an initial draft quicker*
- *Less error in repetitive tasks*
- *The human lawyer is still essential*

Jus AI

Solomonic

Harvey

Lexis+ AI™

TRIALVIEW®

CoCounsel

ayfie

Relativity<sup>aiR</sup>

Luminance  
Legal-Grade™ AI

Copilot

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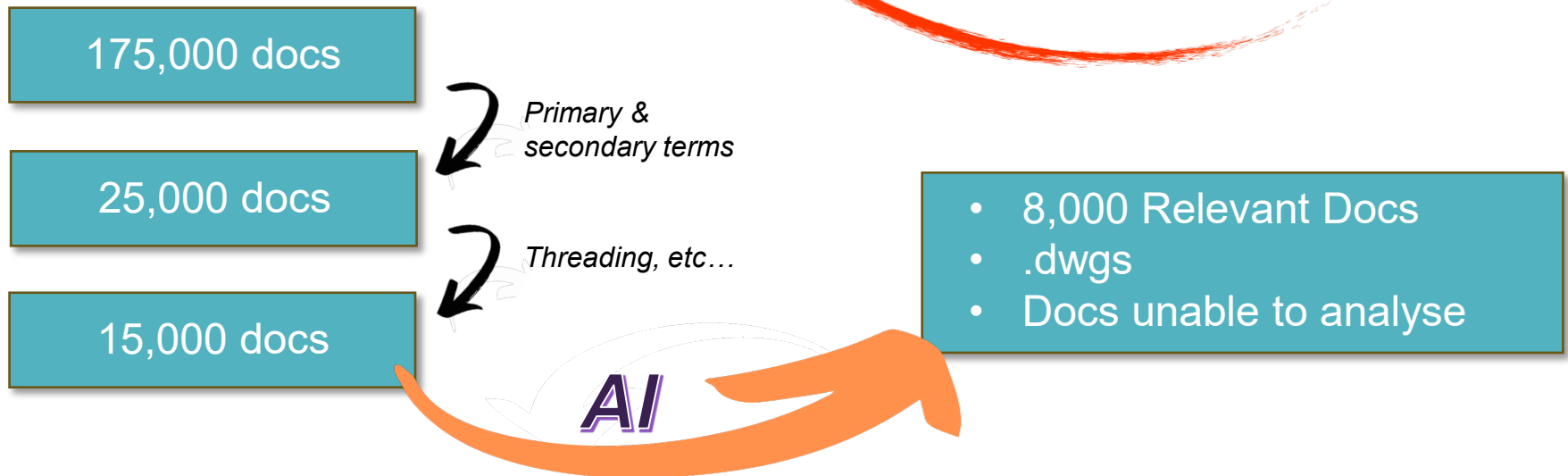
# Opportunities: dispute resolution

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## eDisclosure Example

**SAVINGS:**  
*2-3 weeks of 1<sup>st</sup> level review time*



***Typ. Initial Processing***

***1<sup>st</sup> Level Review with AI***

***2<sup>nd</sup> Level Human Review***

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# Legal risks

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- Hallucinations.
- Limits of service provided.
- Extract from Garfield AI's Terms of Service:
  - 2.2. You accept that machine learning and artificial intelligence are rapidly advancing areas and that due to the probabilistic and/or statistical nature of machine learning, use of Garfield may in some situations result in so-called "hallucinations" or Output that does not accurately reflect fact. As stated in clause 2.1, it is your responsibility to check facts before using any Output.
  - 2.3. You accept that Garfield is not a lawyer (or a human). In respect of a Claim, Garfield can assist you in populating chasing letters and letters before action, in answering any questions you have about pursuing a small debt claim and in preparing responses to any letter from the debtor. Garfield does not assist you in pursuing any Claim beyond a pre-action stage and cannot assist you in commencing or pursuing a small claim in Court. Garfield cannot and does not provide merits advice to you, i.e. Garfield cannot tell you if you are going to win or lose any Claim or predict the outcome (including but not limited to giving you percentage or other prospects of success). If you require merits advice, you agree to consult a solicitor or barrister admitted in England and Wales. You accept that Garfield should not be considered a substitute for the advice of a solicitor or barrister or other appropriately qualified professional. You agree that we have no obligation to provide any solicitor or barrister to act for you in any Claim and that the sole provision of services to you is by way of permitting you access to Garfield on these Terms.

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**Thank you!**  
**Questions?**

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