MODULAR ADVANTAGE

Modular Building Institute

Third Quarter 2019

McKinsey Report Summary
The U.S. Construction Industry Crisis Summary

Case Study: Divinely Inspired Dorm
2019 Annual Report Summaries
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CONTENTS

04 Letter from Board Chair Roland Brown

05 Corporate Sponsors

07 Industry News


10 American Institute of Architects Introduces “Design for Modular Construction” Resource

13 MBI and the International Code Council Collaborate to Publish Guideline for the Safe Use of ISO Intermodal Shipping Containers Repurposed as Buildings and Building Components.

15 Case Study

16 Divinely Inspired Dorm

18 Features

18 The U.S. Construction Industry: A National Crisis Looming

28 When Disasters Strike: More Input from States now an Option

32 Summary of Key Findings for Permanent Modular Construction in North America

34 Summary of Key Findings for Relocatable Buildings Industry in North America
Hello Readers,

With the recent news stories and events around modular construction, it can be hard to know where to get the most reliable information about the industry. If you are reading this now, you’ve come to the right place!

The latest issue of the Modular Advantage features a summary of our industry’s annual reports – both for permanent modular construction and relocatable buildings. Unlike some other research reports that can cost thousands of dollars and contain very little relevant information, MBI gets most of its data directly from the manufacturers engaged in the commercial modular construction industry. It’s the most comprehensive and accurate data available on the commercial modular construction industry in North America.

This edition also includes other resources such as a summary of MBI’s newest white paper “The U.S. Construction Industry: A National Crisis Looming” and the latest report from McKinsey & Company. Both resources address the need for the construction industry as a whole to move towards a more industrialized process.

There has never been more interest in, and opportunity for the modular construction industry than right now. As always, if you have any questions, concerns, or ideas, please reach out to the MBI staff to share. Thank you for your continued support of our industry trade association.

Sincerely,

Roland Brown
Ramtech Building Systems, MBI Board Chair
Thank you to the 2019 MBI Corporate Sponsors

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Titled “Modular construction: From projects to products,” the report makes the case for long-term and sustainable growth of the industry. From the report:

For decades, construction has lagged behind other sectors in productivity performance. Now there is an opportunity for a step change: shifting many aspects of building activity away from traditional onsite projects to offsite manufacturing-style production. While modular (or prefabricated) construction is not a new concept, it is attracting a fresh wave of interest and investment on the back of changes in the technological and economic environment.

This research quantifies the potential benefits, explores the challenges, and looks at whether, this time, modular construction will have a more widespread and sustainable impact. Among our findings: As one of the largest sectors globally, a profound shift in construction can have major impact.

Recent modular projects have already established a solid track record of accelerating project timelines by 20–50 percent. The approach also has the potential to yield significant cost savings, although that is still more the exception than the norm today.

Our analysis suggests that leading real estate players that are prepared to make the shift and optimize for scale will be able to realize more than 20 percent in construction cost savings, particularly as everyone involved moves up the learning curve.
Under moderate assumptions of penetration, the market value for modular in new real-estate construction alone could reach $130 billion in Europe and the United States by 2030.

Multiple factors determine whether a given market is likely to embrace modular construction. The two biggest determinants are real estate demand and the availability and relative costs of skilled construction labor. In places such as the US West Coast, the southern part of the United Kingdom, Australia’s East Coast, and Germany’s major cities, labor shortages and large-scale unmet demand for housing intersect, making this model particularly relevant.

In many countries, modular construction is still very much an outlier. But there are strong signs of what could be a genuine broad-scale disruption in the making. It is already drawing in new competitors—and it will most likely create new winners and losers across the entire real estate and construction ecosystem.

To view the full report, please visit www.mckinsey.com
American Institute of Architects Introduces “Design for Modular Construction” Resource
Modular construction used to have a bad reputation for limiting architects’ design creativity. But new design and construction approaches are changing its perception. When done thoughtfully—through early collaboration with fabricators—architects can create unique designs that address a range of client needs.

From quality and safety to schedule efficiency and sustainability, modular building has a lot to offer owners and project teams. Learn more about the variety of benefits of modular construction with the new AIA Modular and Off-Site Construction Guide.

The Modular and Off-Site Construction Guide serves as a primer on the modular approach for architects. It includes value and opportunities of modular design, pitfalls designers should be wary of, and case studies that exemplify successes and obstacles.

The document was a collaboration between AIA and the National Institute of Building Sciences-Offsite Construction Council, currently chaired by MBI Executive Director Tom Hardiman.

The resource is available to download at www.aia.org.
More than 30 million ISO intermodal shipping containers are in use around the world today. These containers were built to ISO standards and maintained to standards defined by the International Maritime Organization’s (IMO) “Convention for Safe Containers.”

New or used, containers are now repurposed at a pace that makes their reuse a multi-billion-dollar global industry. Containers are regularly repurposed and converted into International Residential Code and International Building Code occupancy uses. As a building material, the applications are widely diverse as is the extent to which the container is used as a structural building element.

Local jurisdictions and state administrative programs are reacting to the growing trend of shipping container repurposing but can be behind in terms of regulations and compliance. This ICC Guideline is intended to help state and local jurisdictions as well as owners, architects, builders and engineers in their assessment as to how to design, review and approve shipping containers as a building element.

The Guideline can be purchased in the ICC’s bookstore at www.iccsafe.org
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Case Study
When the Sisters of Christian Charity needed more space, architect firm Perkins Eastman created a new modern structure to match the look and feel of the nearly 100-year-old original building. Built in 1931, the original building became outdated, costly to operate and renovate, and not in compliance with current building codes and ADA standards.
The new building consists of 178 factory-made modules making up 85,000 square feet of the 165,000 three-story structure. Fabricated by NRB, Inc. in Pennsylvania and completed by Del-Sano Contracting Corp., the entire project was finished in just 267 days.

The new building functions similarly to the older one, with space for administration, formation, liturgical and community life. The building has a large chapel with devotional spaces, a hydro-therapy center, assembly and meeting rooms, a commercial kitchen, a dining room for 120 people, multi-purpose and conference rooms, and a mechanical and electrical building operation plant. Four “wings” that house 60 living and bedrooms. The top floor has 60 more bedrooms and living rooms with handicapped accessible facilities.

The non-combustible design is a structural steel post and beam assembly with light-gauge infill and pre-poured concrete floors in a composite steel deck to help achieve sound deadening and fire ratings. The customized facility was built “in-place” at NRB as a two-story structure to ensure precision fit and finish of all features and systems, resulting in a shorter site installation time and reduced on-site activity and disruption to the community. Once completed, the building was deconstructed and loaded to transporters. This process allowed the building to arrive with a majority the exterior siding installed as well as a high-level of completion on the interior, reducing site completion time significantly.

The building was designed with minimal interior columns to allow for maximum flexibility in use. Each module was designed with engineered lifting lugs for fast and simple offloading on to the foundations and a more efficient stacking process meeting exacting tolerances.

This building was designed with reduced operational and life-cycle costs, improved functionality and an enhanced quality of life in mind. The facility meets the HVAC requirements of a long-term care facility, utilizing high-efficiency water source heat pumps in each individual living space and common rooms. It includes high-efficiency, energy saving interior light fixtures with occupancy sensor controls in all rooms, low VOC paints, a reflective white EPDM roofing and large insulated windows for natural lighting. Other energy efficient elements include continuous rigid insulation on the exterior walls and roof, and sprayed insulation under the floor for a superior performing building envelope.

The building blends the right balance of architectural, structural, mechanical/electrical features, including both offsite and conventional construction methods while maintaining critical budget requirements of the project.
The U.S. Construction Industry: A National Crisis Looming

With the U.S. economy strong again and unemployment at historically low rates, one might wonder why there may be a crisis looming. The answer is simple: the demand (need) for construction in the U.S. is high while the supply of labor is flat/declining relative to demand. We don’t have enough skilled labor to build everything that needs to be built. In this paper, we will make the case for needed changes in thinking at the national, state, and local levels, as well as specific policy recommendations that we feel need to be implemented.

At-Risk Infrastructure
Every four years, the American Society of Civil Engineers’ (ASCE) Report Card for America’s Infrastructure depicts the condition and performance of American infrastructure in the familiar form of a school report card—assigning letter grades based on the physical condition and needed investments for improvement. The 2017 Infrastructure Report Card reveals that we have made some incremental progress toward restoring our nation’s infrastructure. But it has not been enough. As in 2013, America’s cumulative GPA for 2017 is once again D+.

ASCE estimates that there is currently a two trillion dollar shortfall in funding for infrastructure projects needed by 2025. This does not include commercial projects such as restaurants and offices, healthcare facilities, nor housing!

Cost-Burdened Housing
The National Low Income Housing Coalition (NLIHC) reports a shortage of seven million available and affordable rental homes for America’s extremely low-income (ELI) renters in its annual report, “The Gap: A Shortage of Affordable Homes 2019,” released on March 14 of this year. This shortage leaves only 37 available and affordable homes for every 100 ELI renter households. The Coalition found that no state or major metropolitan area has an adequate supply of rental housing for its poorest renters.
THE COALITION FOUND THAT NO STATE OR MAJOR METROPOLITAN AREA HAS AN ADEQUATE SUPPLY OF RENTAL HOUSING FOR ITS POOREST RENTERS.

The severe shortage of affordable homes for extremely low-income renters is systemic, affecting every state and metropolitan area. Absent public subsidy, the private market is unable to produce new rental housing affordable to these households, because the rental prices that the lowest-income households can afford to pay typically do not cover the development costs and operating expenses of such housing.

The Low-Income Housing Tax Credit (LIHTC) is the federal government’s primary program for encouraging the investment of private equity in the development of affordable rental housing for low-income households. The Program subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. Since its creation in 1986, the LIHTC has helped to finance more than 2.4 million affordable rental-housing units for low-income households (Source: Office of the Comptroller of the Currency).

The LIHTC is estimated to cost around nine billion dollars per year. It is by far the largest federal program encouraging the creation of affordable rental housing for low-income households. Supporters see it as an effective program that has substantially increased the affordable housing stock for more than 30 years.

Critics of the LIHTC argue that the federal subsidy per unit of new construction is higher than it needs to be because of the various intermediaries involved in its financing—organizers, syndicators, general partners, managers, and investors—each of whom are compensated for their efforts. As a result, a significant part of the federal tax subsidy does not go directly into the creation of new rental housing stock. Critics also identify the complexity of the statute and regulations as another potential shortcoming. Another downside is that some state housing finance authorities tend to approve LIHTC projects in ways that concentrate low-income communities where they have historically been segregated and where economic opportunities may be limited. Finally, while the LIHTC may help construct...
new affordable housing, maintaining that affordability is challenging once the required compliance periods are over (Source: Tax Policy Center).

However, one group thinks this is exactly where modular construction can help. MBI has been working with an organization called the Housing Crisis Solutions Coalition (or HCSC). They firmly believe that the federal affordable housing policies, including LIHTC, are NOT working. We continue to fall further behind in terms of affordable housing inventory and the percent of American’s that are cost burdened continues to grow.

By using a more industrialized approach to construct housing, more housing projects can come on-line, more quickly, and without sacrificing quality. The projects will cash flow and perform much better for developers with earlier occupancy and revenue perhaps changing the overall rate of return, allowing for the possibility of lower rents, even without LIHTC.

But what if that same nine billion dollars now allocated to the states under the LITHC program were used by the states as incentives for more modular factories to open? Each state would receive $180 million to use as tax credits and/or to incentivize existing and new manufacturers to invest and expand locally, and hire more people dedicated to building housing to meet local needs.

Within the last few years, we have seen several new modular manufacturing facilities established with a focus on addressing housing needs. This is a good start, but more capital needs to be invested in existing and new factories to begin to put a dent in the housing gap.

**Lack of Labor Participation**

According to a recent report by the Associated General Contractors (AGC), a severe labor shortage will continue to plague the construction industry through 2019, driving up construction costs further. The report shows that 79 percent of construction companies want to hire more employees this year, but the industry is only estimated to grow its workforce by half a percent annually for the next 10 years. That is hardly enough to make up for the 600,000 jobs lost since the last recession.
According to the Bureau of Labor Statistics (BLS), the overall unemployment rate as of May 2019 was 3.6 percent. However, among people age 18–24, the unemployment rate is a staggering 21.1 percent for men and 16.6 percent among women. It should be noted that the unemployment rate includes those who are actively seeking employment and does not include those not in the labor pool for various reasons. The overall labor participation rate (defined as the section of working population in the age group of 16–64 in the economy currently employed or seeking employment) is at 62.8 percent as of May, lower than the peak of the economic recession.

The U.S. construction industry currently employs approximately 7.5 million people with a 3.2 percent unemployment rate and has nearly 400,000 job openings. With so many people not participating in the labor market and unemployed, why can’t the construction industry fill its labor needs?

WITH SO MANY PEOPLE NOT PARTICIPATING IN THE LABOR MARKET AND UNEMPLOYED, WHY CAN’T THE CONSTRUCTION INDUSTRY FILL ITS LABOR NEEDS?

The reality is that young people, by and large, simply do not want to pursue work in the construction field in sufficient numbers to address construction needs. And the most seasoned construction workers are about to enter retirement years. According to BLS, the median age of construction workers in 2018 was 42.5 years. However, 2.4 million of those workers are age 55 or older, while only one million are age 16–24. Simply put, the number exiting the industry is exceeding the number entering by a 2:1 margin.

Counterproductive Labor Policies

When jurisdictions impose certain labor requirements (PLAs, prevailing wages, apprenticeship requirements) on an industrialized process, it often results in limiting (or eliminating) competition. Traditional labor requirements were not crafted for an industry more reliant on processes rather than a division of trades.

As such, decades old labor policies that limit competition and support a separation of trades simply are impractical for this type of construction. We need policies that promote and encourage competition and innovation, or at least provide a neutral playing field between modular/industrialized and traditional construction.

New Ideas Needed

Obviously, labor would still be needed to fill these factories, but it could come from “non-traditional” sources that the construction industry has not or cannot tap. Imagine a new automated facility employing men, women, minorities, and the disabled. Swinging hammers would be a thing of the past, replaced with programmers monitoring the automated equipment for wall assemblies.

Imagine a whole new generation learning about 3D modeling and animation on computer screens to simulate actual projects in order to prevent costly on-site errors. Imagine a whole new army of construction professionals focused on reducing CO₂ emissions and construction debris waste, building more energy efficient buildings, and doing so in a safe, indoor working environment. Doesn’t this sound much more appealing to young people than what the construction industry is currently selling? This is not a fantasy.
IMAGINE A WHOLE NEW ARMY OF CONSTRUCTION PROFESSIONALS FOCUSED ON REDUCING CO$_2$ EMISSIONS AND CONSTRUCTION DEBRIS WASTE, BUILDING MORE ENERGY EFFICIENT BUILDINGS, AND DOING SO IN A SAFE, INDOOR WORKING ENVIRONMENT.

The University of Florida’s Rinker School of Construction recently launched a new program aimed at training for manufactured construction (or TRAMCON). The TRAMCON Consortium was created to fill the growing demand in the Manufactured Construction industry. The consortium is made up of four public Florida colleges; industry associations; CareerSource Florida workforce investment boards; and local employers.

The TRAMCON career pathway includes on-the-job training and nine nationally recognized trade certificates and gives priority consideration to veterans. The TRAMCON program utilizes curriculum developed by the National Center for Construction Education and Research (NCCER) which provides a platform for uniform national-level training and transcripts for the workers. While not all-encompassing, NCCER currently offers two textbooks on manufactured construction that can be supplemented with other construction courses on safety and blueprint reading for example. This program can and should be offered and implemented by vocational schools across the country.

**Standardized Processes**

The U.S. modular industry is currently made up of about 200 regional manufacturers building everything from construction site offices to single-family homes to hotels. The industry is regulated primarily at the state level through administrative agencies that implement and enforce the rules for building in that state. However, only 35 states have such a program meaning the remaining states rely on local code officials to determine compliance and safety. Additionally, the state programs lack a great degree of consistency in requirements and even terminology. For example, the program in Massachusetts is referred to as the “manufactured buildings program,” while in other states, the industry is referred to as “industrialized buildings,” or “factory-built housing.”

MBI is currently working with the International Code Council to help develop industry standards for various aspects of modular and offsite construction including...
terminology. Once developed, these ANSI standards will address how modular buildings get approved among other aspects of construction. Currently, these various state program requirements make it extremely challenging and costly for regional manufacturers shipping into multiple states. Helping to develop and implement more consistent administrative rules will improve efficiency and lower costs.

**Modular Tipping Point Reached**

Remember what happened to the U.S. auto industry when the Big Three (GM, Chrysler and Ford) did not innovate and invest in new technologies, designs, and processes? While U.S. automakers continued to build big, inefficient cars, Japan innovated the industry by building smaller, fuel-efficient vehicles. Their factories were built on lean manufacturing principles and just-in-time inventories. This was not a problem until gas prices soared, making gas-guzzling cars less desirable. In 1979, the Shah of Iran was overthrown, the Ayatollah Khomeini came into power, cutting Iran’s oil production, and reducing shipments of crude oil to the United States. That led to soaring gasoline prices as the American economy plunged into a recession.

In 1961, GM, Chrysler, and Ford held a combined 85 percent of the U.S. auto market share. Today those same companies account for about 44 percent of the market-share with Toyota and Honda accounting for about 24 percent. Consider that two 20-story hotels recently built in New York City are utilizing room modules fabricated in Poland.

Many Asian and European modular companies, with the support of pro-modular government policies and housing initiatives, have made great strides in addressing housing and labor shortages in their own countries and are now eyeing exports to the U.S.

General contractors, recognizing the advantages of the “super sub” model, will be reluctant to return to the scheduling and communication challenges of coordinating multiple subs.

Developers, now sold on the advantages of modular, will not go back to less-efficient site-built
methods. They will seek and find modular partners, even if it means importing from other countries. Cash flow is king and modular means quicker occupancy and quicker ROI.

**Time to Pivot: Policy Recommendations**

In many countries such as Japan and Germany, the prefab/offsite construction industry grew out of their manufacturing sector, making it much more of an industrialized and automated process. Whereas in the U.S., our offsite industry grew out of the construction industry, making it much more labor dependent and regionalized.

Modular construction currently accounts for only about four percent of all new construction starts in the U.S., driving about nine billion dollars in construction activity. Greater market share has been limited by the factors cited in this paper as well as by long held misconceptions about modular construction and an incredible lack of willingness to build differently.

The results of our past actions speak for themselves. According to a McKinsey research paper in 2016, cost and schedule overruns are now the norm in the construction sector. Large projects across asset classes typically take 20 percent longer to finish than scheduled and are up to 80 percent over budget. Construction productivity has actually declined in some markets since the 1990s, and financial returns for contractors are often relatively low and volatile.

Rather than continuing to cling to outdated policies and practices that have yielded marginal gains in efficiency, we must advance towards industrialized construction to a much greater degree.

**Summary of policy recommendations:**

1. Greater emphasis and investment at the federal, state, and local levels on closing the two-billion-dollar infrastructure funding gap identified by ASCE.
2. Revisit the LIHTC program and reallocate resources in a more productive manner.

3. Standardize the state-level approval process for modular and offsite construction processes.

4. Encourage regional state reciprocity agreements for construction-related policies.

5. Revisit efforts to harmonize state transportation requirements.

6. Revisit the Jones Act with an eye towards repeal/amending.

7. Limit/prohibit use of union-only project labor agreements and mandatory apprenticeship requirements.

8. Expand the use of NCCER manufactured construction curriculum nationwide.

9. Implement policies and incentives to cut the average construction waste per project in half, to two pounds per square foot of building space.

10. Steer federal procurement policies that move away from design-bid-build towards policies that promote and encourage collaboration and communication among the construction team.

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When Disasters Strike: More Input from States now an Option

On Oct. 5, 2018, President Trump signed the Disaster Recovery Reform Act of 2018 into law as part of the Federal Aviation Administration Reauthorization Act of 2018. These reforms acknowledge the shared responsibility for disaster response and recovery, aim to reduce the complexity of FEMA, and build the nation’s capacity for the next catastrophic event.

The law contains approximately 50 provisions that require FEMA policy or regulation changes for full implementation, as they amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This article provides an overview of each provision and status updates on FEMA’s implementation.

One of the changes is significant in terms of how states rebuild after natural disasters. Specifically, the State Administered Housing (Section 1211) amends the Stafford Act in the following ways:

(a) Authorizes FEMA to provide grants to state or tribal governments to directly administer temporary and permanent housing construction.

(b) Allows state or local governments who implement cost-effective housing solutions be reimbursed, under certain conditions.
One of the biggest challenges regarding rebuilding efforts after disasters is that FEMA, by law can only provide “temporary” housing relief up to 18 months. In most cases following disasters, housing needs are longer term.

As an example, FEMA often procures and maintains an inventory of manufactured homes to rapidly deploy in the event of natural disasters. This is a convenient and quick way to provide housing to those who are in dire need. But it’s clearly not an ideal long-term solution. By some estimates, the cost for FEMA to house a victim for 18 months can exceed $150,000. After 18 months, the victim either needs to purchase the manufactured housing unit outright from FEMA, or find other living accommodations.

It makes very little sense to put victims of natural disasters back into housing that cannot withstand natural disasters! Modular homes, on the other hand are much more resilient, robust and better able to withstand the storm. In the often-cited FEMA report following Hurricane Andrew in 1992, FEMA found that:

Overall, relatively minimal structural damage was noted in modular housing developments. The module-to-module combination of the units appears to have provided an inherently rigid system that performed much better than conventional residential framing. This was evident in both the transverse and longitudinal directions of the modular buildings.

From the same report, FEMA concluded:
“Manufactured homes possessed poor ability to withstand the high wind loads generated by Hurricane Andrew. In several subdivisions, many of these homes suffered total losses. It was observed that the breakup of corrugated metal siding and roofed buildings such as manufactured homes and pre-engineered metal frame buildings contributed significantly to the generation of airborne debris. This was evident from debris damage to nearby downwind structures.”

Sadly, this report was from 1992, and FEMA continues their practice of
using manufactured housing as the go-to solution nearly 30 years later!

THE MODULE-TO-MODULE COMBINATION OF THE UNITS APPEARS TO HAVE PROVIDED AN INHERENTLY RIGID SYSTEM THAT PERFORMED MUCH BETTER THAN CONVENTIONAL RESIDENTIAL FRAMING.

Under the amended Stafford Act, states would be able to submit their plans for disaster recovery and rebuilding to FEMA for approval prior to a disaster striking. If approved, states would have more control over how federal dollars are allocated, including using funds for more permanent housing needs.

The state of New Jersey implemented something similar after Superstorm Sandy. They preapproved housing plans (conventional and modular) and builders, while providing a fixed settlement amount. Victims could then contact any of the preapproved builders and use the funds to build their new home with any additional costs borne by the homeowner.

With the shortage of conventional labor and increasing construction costs, adding a permanent modular housing option to the equation will give states and victims more flexibility and options for longer term housing needs.

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The Modular Building Institute (MBI) is the international non-profit trade association serving the commercial modular construction industry for over 35 years. As the Voice of Commercial Modular Construction™, MBI promotes the advantages of modular construction while advocating for the removal of barriers that limit growth opportunities. Through its long-standing relationships with member companies, policy makers, developers, architects and contractors, MBI has become the trusted source of information for the commercial modular construction industry.
The multi-family sector was the fastest growing for the modular industry in 2018. Total production of multi-family modules more than doubled from 2017 to 2018.

California, Massachusetts, Florida, New York, Washington, New Jersey, and Colorado were the top seven states with the most modular multifamily units, based on state labeling data.

Based on production data obtained, the hospitality sector showed a significant increase in total modules manufactured in 2018.

Based on production figures, the education market accounted for nearly one-fourth of all modules produced in 2018. The industry as a whole manufactured about 10 percent more educational units in 2018.

The business and office market represents the largest building sector for the industry. Nearly half of all modular production in 2018 is attributed to this market.

Permanent modular construction production grew by double digits in 2018 based on state labelling information.

Overall average revenue per manufacturer increased by seven percent in 2018.

The industry drove approximately nine billion dollars in construction activity in North America in 2018.
Summary of Key Findings for Relocatable Buildings Industry in North America

The Modular Building Institute (MBI) is the international non-profit trade association serving the commercial modular construction industry for over 35 years. As the Voice of Commercial Modular Construction™, MBI promotes the advantages of modular construction while advocating for the removal of barriers that limit growth opportunities. Through its long-standing relationships with member companies, policy makers, developers, architects and contractors, MBI has become the trusted source of information for the commercial modular construction industry.
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Key Findings:

**CANADA:**

The average annual corporate revenue attributable to the relocatable buildings sector in Canada in 2018 was **$30,603,775**.

Overall utilization rate decreased to **60.6 percent**, from **65.1 percent** the prior year, exclusive of workforce housing rentals. Including workforce housing lowers the overall utilization rate to **49.5 percent** as that sector has been in decline for the past few years.

Overall demand for relocatable buildings remained strong in 2018, as demonstrated by the **77.4 percent** overall utilization rate, up slightly from **77.3 percent** in 2017.

**NORTH AMERICA:**

On average, sale price to original cost ratio has exceeded **100 percent** for the past decade, demonstrating the ability of the existing relocatable building inventory to retain their value.

Revenue mix was generated from roughly the same market segments with about two-thirds of the industry revenues coming from relocatable classrooms and construction site offices.

Mergers and consolidations have concentrated a higher percentage of total units owned into the hands of just a few companies, with four companies now owning over **80 percent** of the U.S. fleet.

Customers in all these markets will continue to utilize relocatable buildings for their speed, flexibility, practicality, and cost.
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