



The Time Is Right To Consider Modular

AO & Fulcrum's top 10 reasons why developers and cities should explore modular construction in the post-COVID-19 world.

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We have observed two things as a result of the pandemic crisis: trends are being accelerated and issues that were prevalent prior to the crisis are being exacerbated. That is to say, as a result of COVID-19, the potential of industries capable of success despite a pandemic are being realized, while the problems that existed long before quarantine have become so much worse. Examples of this are found within industries like technology, medical, housing, and of course, construction. What the pandemic has forced us to do is rethink the way we do nearly everything and what we can achieve by shifting our mindset towards innovation.

*For this edition of **AOpen**, we rounded up our in-house Modular Studio experts and a leading modular construction innovator, Fulcrum, to come up with our top ten reasons for why now is the time for developers and cities to consider modular.*

While not a panacea for all construction, many projects can benefit from the disciplined approach that modular offers. As an alternative construction method on the rise for housing and hospitality developments, the efficiencies of modular are coming to the forefront, influencing how developers, cities, investors, and lenders view design and construction.



1: SPEED TO MARKET

It is likely that conventional construction will experience delays in the post-COVID-19 era because of new social distancing rules affecting workers onsite. Guidelines that limit the number of workers in specific areas cause ripple effects that inhibit the ability of various trades to work together. With modular construction, factory-built modules can sidestep many of these issues or react quickly within a controlled environment, limiting construction delays.

2: LABOR PAINS

COVID-19 has exacerbated the construction labor shortage nationwide. In the factory environment, modular relies on a combination of workers and automation for efficiency, leading to a smaller workforce and fewer hands needed to complete a construction project. Further, modules are often easier to transport to remote locales that may not have the equipment or skilled labor force available for conventional construction.

3: DISCIPLINED APPROACH

In the post-COVID-19 world, efficiency and quality have become even more critical in the design and development of housing and hospitality. The accelerated schedule of modular construction relies on disciplined and accelerated decision making – a critical part of the equation to maximize the shortened schedule that modular can deliver. AO and Fulcrum employ highly methodical and disciplined approaches, an understanding of the parameters, and technical knowledge as required by modular construction in order to fully reap the benefits of the system.

4: COST EFFICIENCY

Modular has become an increasingly more affordable delivery method as the cost of onsite General Conditions skyrocket for conventional construction sites. The added cost of providing personal protective equipment and additional workplace safety measures and protocols, which are negatively affecting more and more conventionally constructed projects, affect the modular manufacturing process to a much lesser degree.

5: THE FACTORY FACTOR

The unknowns surrounding COVID-19 have given rise to our natural human need and desire to control our environment, a factor that heavily aligns with modular construction and the factory-built model. The benefits of a controlled facility are many in a post-pandemic situation, including creating a more controlled environment for the installation of new antimicrobial materials, assigned workstations for the labor force, and the ability to regulate the movement of modules around people.

6: LENDER INTEREST

In the post-COVID-19 economy, cautious lenders and investors are looking to finance projects involving less risk. Modular construction is inherently less risky than onsite construction for a number of reasons, including, but not limited to, the fact that modules are built in a weather and temperature controlled factory environment which contributes to much higher quality, a significantly faster and more predictable schedule, and fixed pricing. That said, no development is risk-free. That's why a cohesive and modular-savvy project team including industry leaders like AO and Fulcrum, are so critical in identifying and mitigating risk before it affects the project.

7: INDUSTRY INNOVATION

The modular industry is constantly pushing the envelope in an effort to develop new technologies, processes, and solutions to build better. We are starting to see the emergence of steel-framed modular leading to the construction of taller modular buildings. It has been common across Europe and Asia in recent years; however, more and more steel-framed manufacturers are opening their factory doors across North America, which bodes well for the hospitality industry in the United States. Modular is on the rise (literally), is now just being realized, and the potential of modular has yet to be fully explored.

8: GROWING ACCESSIBILITY

A key challenge that the modular industry faces is the transportation of modules which can sometimes be cost prohibitive. However, modular manufacturing is on the rise with new factories opening all over North America, affording developers the opportunity to consider and achieve greater success utilizing modular construction on projects where modular might not have been a viable option in past years.

9: ADAPTIVE TO FLUID SITUATIONS

While the factory model is far from pandemic-proof, regulation of the controlled environments allows the workforce a greater ability to adapt to changing circumstances than a construction site, including the implementation of new workplace guidelines or safety measures.

10: DESTINED FOR DENSITY

Finally, with continued growth of the population and the increasing need for urban infill development, higher-density housing solutions will be critical. Modular plays an important role in maximizing density, and delivering efficient, quality housing for the cities of the future.