3 | Our Business

- 7 equity Partners - combined 180+ years experience
- The owners will deliver and positively influence this project
- Fully self-funded, robust business plan
- Steady growth: current headcount - 107
- 22 Partners in the business providing Senior project time
- Investment in people and Infrastructure
- A business for the long term, a legacy
- Independent cost advice - we don’t work for Contractors
- Covenant/Pt equal to competitors
- RICS registered, GA compliant (BSI 15001)
- A culture of excellence
- A culture of Innovation
- Passionate about everything we do

CONSTRUCTION METHODS MODULAR

Modular construction is touted as the future of the building industry, but while the sector is rapidly growing in some areas, there are still obstacles to overcome. Alex Hyams of Alinea, Ed McCann of Expedition discusses the pros and cons of volumetric modular offers construction...
Overview

• Relevant Experience
• Key Cost Drivers
• Quality as a Driver?
• Cost Comparisons
  • Executive Summary
• How do we improve?
Relevant Experience

Project Experience & Cost Intel mainly based on the following:

- London & South East
- Schemes of 200nr + Units
- Schemes of 200,000 ft² or more
- Schemes of 7/8 storeys or above
- Mixed Tenure but mainly Market / BTR led (i.e. no pure RP Affordable products)
- DfMA, CLT and Volumetric projects and studies
## Key Cost Drivers

- **Competition (or lack thereof)**

### Volumetric manufacturers

<table>
<thead>
<tr>
<th>Volumetric manufacturers</th>
<th>£50m+ projects (all sectors)</th>
<th>£50m+ projects (residential)</th>
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### Timber products

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<tr>
<th>Timber products</th>
<th>CLT</th>
<th>Glulam</th>
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Key Cost Drivers

- **Understanding (or lack thereof)**
- Exploring Offsite too late!!
- Re-engineering a traditional scheme to fit a modular delivery
- Attempting to tender as per Traditional (Client / Funder need to demonstrate competition)
- Late changes / variations cost more (lack of understanding / discipline)
Key Cost Drivers

• Design

• Understanding the constraints of off-site (Geometry, fabric, grid, loadings)
• Standardisation of layouts and key areas
• Standardisation of key components
Key Cost Drivers

- **Transactional Behaviour**

  - Large Initial Investment > High Overheads > Needs High Utilisation to keep unit costs low

  **ISSUE: Control of Supply** - unlike car factory – manufacturer far removed from ultimate client
“In reviewing the traditional construction triangle of time, cost & quality you start to understand the reasons for success and that Off-Site is not a one size fits all”

- ✔️ Quantum of units
- ✔️ Planning Unit Mix
- ✔️ Dumbbell style apartment layouts
- ✔️ No ability to pre-let

- ✔️ Quantum of units
- ✔️ Limited number of unit types
- ✔️ No ability to pre-let

- ✔️ Quantum of units
- ✔️ Have pipeline
- ✔️ Speed not beneficial

- ❌ Planning Unit Mix
- ❌ Speed not requirement
- ✔️ More bespoke layouts
Costs based on
- London & South East
- Schemes of 200nr + Units
- Schemes of 200,000 ft² or more
- Mid Rise Schemes (above 7 storey / below 25 storey)
- Comparison @ Tender Stage
How do we improve?