alinea

Buildoffsite Residential Hub

19th March 2019

buildoffsite

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**
- 1st placed Cost Consultant in Building Good Employer Guide 2015, 2016, 2017 & 2018
- 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/PI equal to competitors
- RICS registered, QA compliant (BSI 15001)
- A culture of excellence
- A culture of innovation
- Passionate about everything we do

Overview

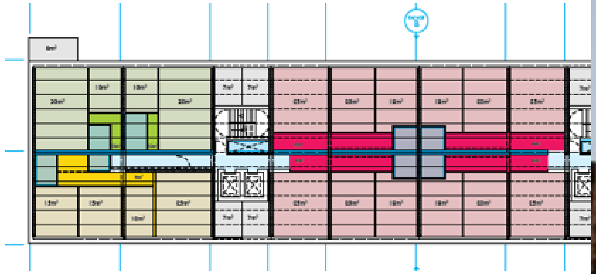
- Relevant Experience
- Key Cost Drivers
- Quality as a Driver?
- Cost Comparisons
    - Executive Summary
- How do we improve?

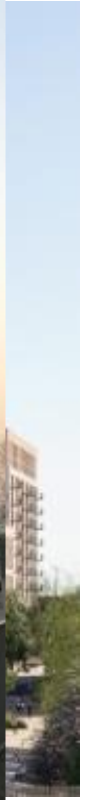
Relevant Experience

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

Relevant Experience





alinea

Key Cost Drivers

- **Competition (or lack thereof)**

Volumetric manufacturers	£50m+ projects (all sectors)	£50m+ projects (residential)
Actavo		
Caledonian Modular	●	●
Eco Modular		
Elements Europe	●	●
Elliott Group	●	
Enegroup		
Extraspace		
Ideal Modular		
Ilke Homes		
Legal & General Modular Homes		
LoCal Homes		
McAvoy	●	

Volumetric manufacturers	£50m+ projects (all sectors)	£50m+ projects (residential)
M-Ar		
Modular Wise		
Modulek		
Premier Modular	●	●
Pod Living		
Rollalong		
Simply Modular		
Swan Homes/Nu Living		
Thurston Group		
Urban Splash		
Vision Modular	●	●
Yorkon	●	

Timber products

	CLT	Glulam	LVL	Cassettes	Hybrid
	●				
	●		●		
	●	●		●	
z	●	●			
	●	●			●
	●	●			
	●			●	
	●			●	
Wiehag	●	●		●	
Rubner Holzbau	●	●			
Hess Timber	●	●			

alinea

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)

alinea

Key Cost Drivers

- **Design**

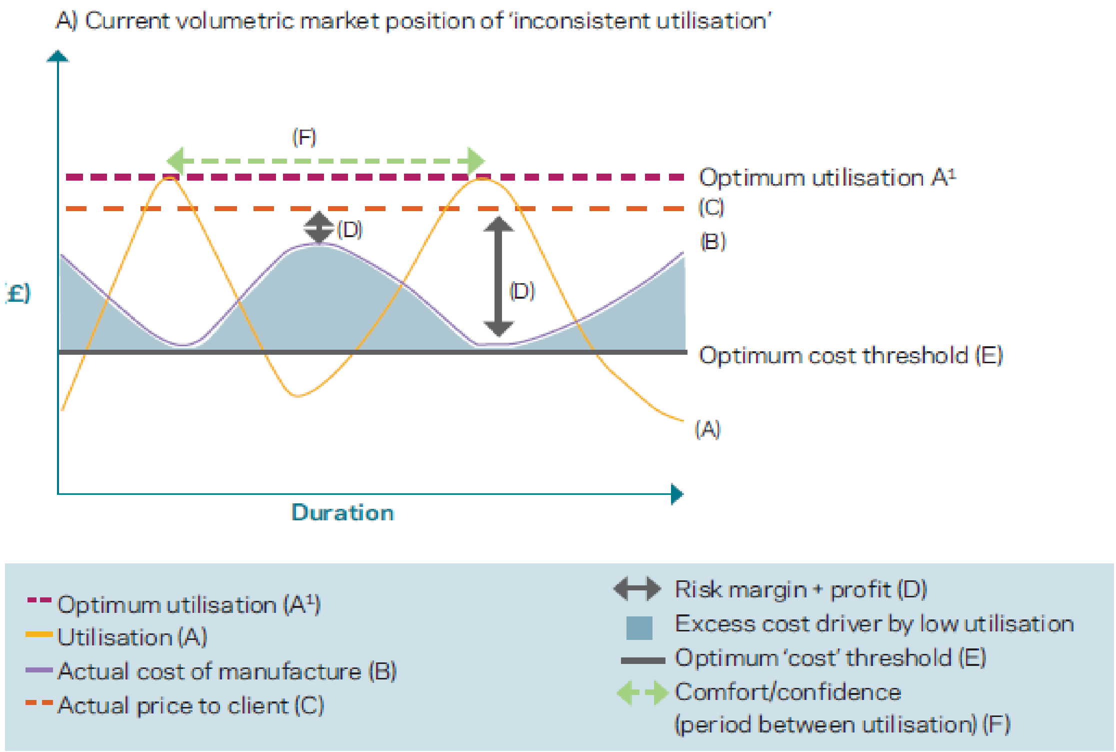
- Understanding the constraints of off-site (Geometry, fabric, grid, loadings)
- Standardisation of layouts and key areas
- Standardisation of key components

Key Cost Drivers

- **Transactional Behaviour**

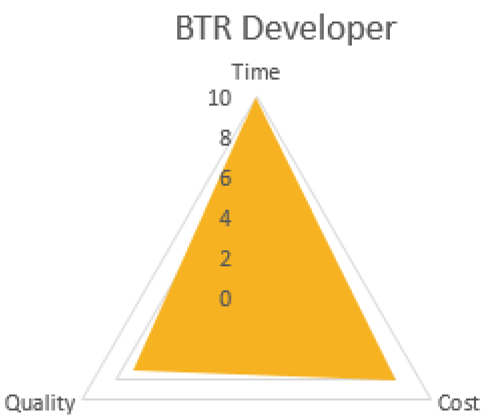
- Large Initial Investment > High Overheads > Needs High Utilisation to keep unit costs low

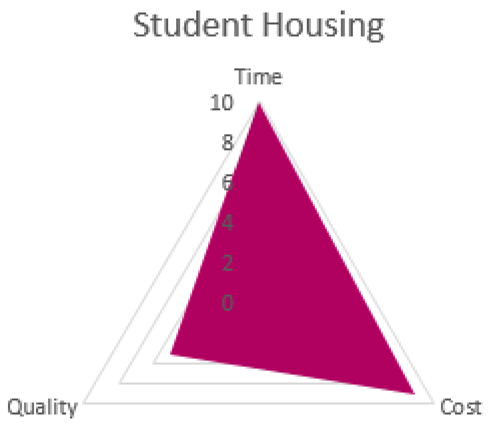
ISSUE: Control of Supply - unlike car factory – manufacturer far removed from ultimate client

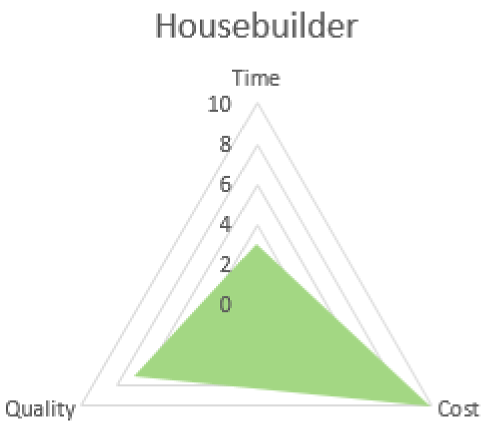


Quality?

"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"







BTR Developer

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

Neutral

Student Housing

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

✗

Housebuilder

- ✓ Quantum of units
- ✗ Planning Unit Mix
- ✓ Have pipeline
- ✗ Speed not beneficial

Neutral / ✓

Prime Resi Developer

- ✗ Planning Unit Mix
- ✗ Speed not requirement
- ✗ More bespoke layouts

✓

alinea

Cost Comparison (vs Traditional)

	Traditional	CLT	DfMA	Volumetric
Cost	Baseline	(3% - 7%)	+ 1% - 5%	+ 10% -15%
Programme		(7% - 15%)	(5% - 15%)	(40% - 50%)

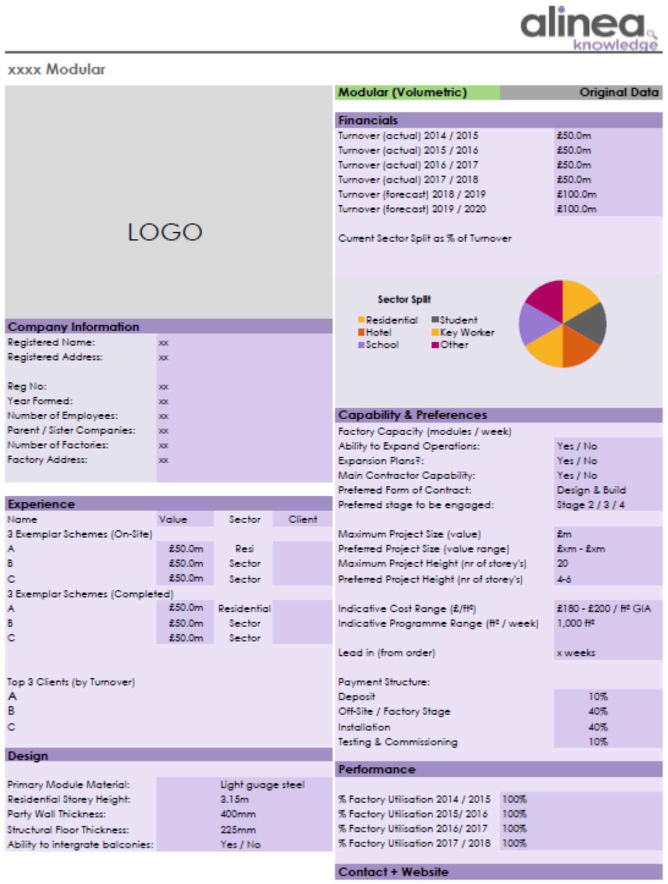
Costs based on

- 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

alinea

How do we improve?

buildoffsite



alinea knowledge

xxxx Modular

LOGO

Company Information

Registered Name:	xx
Registered Address:	xx
Reg No:	xx
Year Formed:	xx
Number of Employees:	xx
Parent / Sister Companies:	xx
Number of Factories:	xx
Factory Address:	xx

Experience

Name	Value	Sector	Client
3 Exemplar Schemes (On-Site)			
A	£50.0m	Resi	
B	£50.0m	Sector	
C	£50.0m	Sector	
3 Exemplar Schemes (Completed)			
A	£50.0m	Residential	
B	£50.0m	Sector	
C	£50.0m	Sector	

Top 3 Clients (by Turnover)
A
B
C

Design

Primary Module Material:	Light guage steel
Residential Storey Height:	3.15m
Party Wall Thickness:	400mm
Structural Floor Thickness:	225mm
Ability to intergrate balconies:	Yes / No

Modular (Volumetric) — **Original Data**

Financials

Turnover (actual) 2014 / 2015	£50.0m
Turnover (actual) 2015 / 2016	£50.0m
Turnover (actual) 2016 / 2017	£50.0m
Turnover (actual) 2017 / 2018	£50.0m
Turnover (forecast) 2018 / 2019	£100.0m
Turnover (forecast) 2019 / 2020	£100.0m

Current Sector Split as % of Turnover

Capability & Preferences

Factory Capacity (modules / week)	
Ability to Expand Operations:	Yes / No
Expansion Plans?:	Yes / No
Main Contractor Capability:	Yes / No
Preferred Form of Contract:	Design & Build
Preferred stage to be engaged:	Stage 2 / 3 / 4
Maximum Project Size (value)	£m
Preferred Project Size (value range)	£xm - £xm
Maximum Project Height (nr of storey's)	20
Preferred Project Height (nr of storey's)	4-6
Indicative Cost Range (£/ft²)	£180 - £200 / ft² GIA
Indicative Programme Range (ft² / week)	1,000 ft²
Lead in (from order)	x weeks
Payment Structure:	
Deposit	10%
Off-Site / Factory Stage	40%
Installation	40%
Testing & Commissioning	10%

Performance

% Factory Utilisation 2014 / 2015	100%
% Factory Utilisation 2015/ 2016	100%
% Factory Utilisation 2016/ 2017	100%
% Factory Utilisation 2017 / 2018	100%

Contact + Website

alinea

alinea